



Promoting wellness and recovery

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# Community Capital Assistance Projects

## Process Guidelines



**“Coming together is a beginning;  
Keeping together is progress; and  
Working together is success”**

**-Henry Ford**

Bureau of Capital Planning and Management  
Jonathan Baker, Chief  
April, 2019



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## Section I General Requirements

### The Requirements set forth in this section shall apply to all Community Capital Assistance Projects

#### I. A. General Requirements

OhioMHAS Capital Funds can be used for purchase, construction, professional design services, furnishings/equipment in line with state Capital Guidelines.

The Ohio Department of Mental Health and Addiction Services (OhioMHAS) Capital Assistance Funds are provided as reimbursement only. All project expenses must be paid by the **Applicant** prior to reimbursement by OhioMHAS.

OhioMHAS Capital Assistance funding requires substantial local matching funds which may not be provided from other OhioMHAS General Revenue Funds (GRF). The local match requirement may be achieved in whole or in part through project related assets of the Applicant, such as the project site, i.e. in-kind match.

**Recipients** of OhioMHAS Capital Assistance funds must be able to obtain fee simple title to the project site/property with General Warranty Deed.

OhioMHAS requires a **30-year commitment** to the project by the **Applicant** secured by a contract, mortgage, and note. Any and all changes in either the program and/or the facility, in accordance with the contract, must be submitted to and approved by OhioMHAS.

**Recipients** of OhioMHAS capital funds will maintain insurance policy insuring the building and improvements against hazards, casualties, and contingencies with loss payable to OhioMHAS and **Recipient/Applicant** as their interest may appear.

OhioMHAS reserves the right not to provide reimbursement for any project costs:

1. incurred by the Applicant prior to the approval of the application (unless written permission is provided from OhioMHAS) **or**
2. not made in accordance with requirements of OhioMHAS.

No OhioMHAS Capital Assistance Funds can/will be provided until:

1. Articles of Incorporation and By-Laws denote a public, behavioral health purpose and are in accordance with all OhioMHAS legal requirements (See Appendix A).
2. All technical requirements, i.e., Site Identification and Feasibility Study, Appraisal(s), Assurances, and Project Design have been reviewed and approved by OhioMHAS (see Appendices B, C, D).

3. State Controlling Board approves/releases the funds on behalf of the Applicant.
4. Contract, Mortgage, and Note are executed between the Applicant, local ADAMHS Board and OhioMHAS (see Appendices E, F, G).

All perspective applications require support from the local ADAMH Board, in the form of a resolution of support as well as signature on the application. Two (2) Resolutions:

- a. One from the Applicant Board, which authorized two (2) individuals from their organization to sign state project documents (i.e., application, contract, 30-year forgivable mortgage, and note), and
  - b. One from the local ADAMHS Board supporting the project
5. Reimbursement documents are submitted in accordance with OhioMHAS reimbursement format and requirements for approved project expenditures (see Appendix H).

**B. Use of OhioMHAS Capital Assistance funds for any construction and/or renovation requires compliance with a number of special and specific legal requirements including:**

1. If state or federal funding is being used for construction costs, the **Applicant** must comply with all applicable state and federal laws, rules and regulations relating to construction and bidding of state or federally-funded projects.
2. Prevailing wages (note exception for certain residential projects. See Appendix I)
3. Contractor Liability Insurance of \$1,500,000.00
4. Competitive bidding of construction/renovation work to be reimbursed
5. Open and competitive architect selection process with concurrence of OhioMHAS
6. Basic building design with concurrence of OhioMHAS
7. OhioMHAS project site access and concurrence/approval right for the construction/renovation work

**C. OhioMHAS reserves the right to terminate its Capital Assistance funding for any project:**

1. not completed and closed out within six (6) months following the close of the two-year Capital Funding biennium and/or,
2. which in the judgment of OhioMHAS is not making reasonable progress towards completion.

## **II. Preparation and Submission of Documents**

**Note:** All communications will be directed through the Project Manager (PM), correspondence, design documents, contract documents and construction documents will contain the behavioral/mental health project number (MH-XXXX).

All submittals are to be approved by the **Applicant** before being submitted to OhioMHAS.

### **A. Application**

Final draft submitted after ADAMHS Board review. Application meeting will create signed copy.

### **B. Site Identification and Feasibility Study**

Once a site has been identified, the **Applicant** shall forward one (1) copy of the site feasibility study to the PM (see Appendix B).

### **C. Appraisal**

If the estimated cost of the site to be purchased is \$100,000 or more, two (2) separate appraisals are required. Submit one (1) original of each appraisal to the PM. The appraisal(s) shall be performed by a licensed and experienced appraiser for the type of property in question and must follow OhioMHAS required format (see Appendix C). OhioMHAS participation in site purchase cost is limited to either the approved appraised value or the actual purchase price, whichever is less. OhioMHAS reserves the right to not participate in a site purchase where the appraisal is substantially lower than the purchase price.

If the estimated cost of the site to be purchased is less than \$100,000, one (1) appraisal is required.

If site(s) is/are currently owned by the Applicant, and is not to be used as in-kind match, then no appraisal is required.

If site(s) is/are currently owned and is/are being used as in-kind match, one appraisal is required.

### **D. Articles of Incorporation**

All non-Board applicants shall submit Articles of Incorporation and By-Laws that comply with OhioMHAS requirements (see Appendix A).

## E. Contract, Mortgage, and Note

The **Applicant** will prepare and submit to the PM the following documents:

1. **Contract:** Two (2) signed copies, OhioMHAS will return one (1) executed copy to the Applicant (see Appendix E).
2. **Mortgage:** One (1) recorded copy along with Exhibit ‘A’ (property description) (see Appendix F).
3. **Note:** One (1) executed copy (see Appendix G).

To support these documents, the **Applicant** must submit one (1) copy of the following documents:

1. Recorded **Warranty Deed**
2. **Title Insurance Policy** or **updated Abstract** showing the Applicant has title to the property
3. **Board Resolution** authorizing two (2) members to execute the above noted contract, mortgage, and note
4. **Board Resolution** must include the following statement:

“The Board approves this project with an assurance of intent to support and to fund the Applicant’s program consistent with the application and, in addition, to annually monitor the program and operations of the facility to assure compliance.”

**Full execution of all documents is a pre-requisite for reimbursement**

## III. Reimbursement

### A. General Policies

OhioMHAS maintains an interest in the site and facility through the execution of the contract, mortgage, and note for a period of **thirty (30) years**.

The Applicant’s indebtedness to OhioMHAS is forgiven at the rate of 1/360 of the principal amount for each month of operation, until, after **thirty (30) years** of operation, the debt is completely forgiven.

Reimbursement for approved project costs may be requested following the execution of the required documents: contract, mortgage, and note (see Appendices E, F, G, I).

Requests for reimbursement are to be directed to the PM (see Appendix H).

Reimbursements will be made at 100% of the approved project costs submitted, until the total reimbursement amount reaches 90% of the total of state participation. At that time, the remaining 10% of state participation will be held until all close-out documents are received and approved.

**Full execution of all documents is a prerequisite for reimbursement**

**B. Timing of Reimbursements**

For projects involving state funding in construction and/or renovation, all reimbursements are withheld until construction contracts are awarded.

**Participation Letter** – The Project Manager (PM) will prepare a participation letter outlining all costs associated with the project to be used as a guideline for reimbursement.

**Reimbursement Request** – May be submitted monthly or at conclusion of project as a lump sum.

**Site Purchase Only** – For projects involving site purchase only, reimbursement may be requested following site purchase.

**Site Purchase and Construction** – For projects involving state funding in construction/renovation, all reimbursements are withheld until construction contracts are awarded.

**C. Reimbursement Project Expenses**

a. Project costs eligible for reimbursement may include any or all of the following:

Purchase of site:

- i. Actual purchase price or lowest approved appraised price, whichever is the lesser
- ii. Recording fee
- iii. Title insurance or abstract update
- iv. Closing costs
- v. Legal fees - only those directly associated with purchase

b. Project Associates fees (when contract is bid according to state requirements)

c. Building code approval fees

d. Site survey/soils investigation (when contract is bid according to state requirements)

- e. Construction contracts (when contract is bid according to state requirements)
- f. Moveable equipment (see Appendix J) (when contract is bid according to state requirements)

#### **D. Reimbursement Requests**

Reimbursement for approved project costs may be requested following the execution of all required documents (i.e., contract, mortgage and note). Requests for reimbursement are to be directed to the PM (see Appendix H).

Any request for reimbursement that does not include the required items will be returned to the Applicant.

Once all contract close-out documents have been received and approved by the PM, final reimbursement may be initiated.

**Once final reimbursement has been completed,  
any funds remaining unused for the project will be cancelled**

## Section II Site Purchase Requirements

### I. Site Identification and Feasibility Study

The **Applicant** shall submit one (1) copies of the site feasibility study to the PM (see Appendix B).

### II. Appraisals

If the site is recommended for participation, the PM will advise the Applicant to obtain the necessary appraisal(s). If the estimated cost of the site is \$100,000 or more, two (2) separate appraisals are required. The Applicant shall send one (1) original of each appraisal to the PM. The appraisal shall indicate the qualifications of the appraiser and address, per Department of Administrative Services (DAS) requirements (see Appendix C).

**OhioMHAS reserves the right to not participate in site purchase(s) where the appraisal(s) is (are) substantially lower than the purchase price.**

**Note: OhioMHAS participation in site purchase cost is limited to either the approved appraised value or the actual purchase price, whichever is less. In cases where two (2) qualified appraisals differ in value, the lower value will be used.**

### III. Supporting Documents

1. **Recorded Warranty Deed**
2. **Title Insurance Policy** or updated Abstract showing applicant has title to the property.
3. **Sign Settlement Statement**
4. **Property Insurance** with OhioMHAS as an additional insured entity
5. **Board Resolution** authorizing two (2) members to execute all documents related to the purchase of the facility.

**Note: Full execution of all documents is a prerequisite for reimbursement**



## **Section III Construction Guidelines**

### **I. Associate Architect Interviews – Where OhioMHAS reimbursement(s) will be sought**

The **Applicant** shall schedule and conduct interviews with a minimum of three (3) firms following a specific interview agenda. OhioMHAS can provide an interview selection criterion to assist the Applicant.

After associate architect selection, the Applicant negotiates a fixed fee. However, before the contract is executed, the Applicant shall notify the PM to obtain concurrence of the fee amount.

**Recipients of OhioMHAS Capital Assistance funds  
must comply with the above requirements.**

### **II. Agreement Preparation**

The **Applicant** will submit to the PM a copy of the Associate Architect Agreement on the format provided (see attached Appendix K or see the standard AIA contract document).

### **III. Design**

The following steps should be taken during facility design, but based on the complexity of the project, not all may apply.

#### **A. Pre-Design Meeting**

Upon receiving the completed Associate Architect's Agreement, a pre-design meeting will be arranged by the Project Associate Architect, hereafter referred to as the Associate, and the Applicant.

The agenda will cover the following topics:

1. Project Budget
2. Program Requirements
3. Site/Building Parameters
4. Procedures, guidelines, and standards to be followed in developing design and contract documents
5. Moveable Equipment Procedures (see Appendix J)
6. Reimbursement Procedures (see Appendix H)
7. Closeout Requirements

## **B. Submission of Documents**

After site approval there are two (2) phases of the work which are to be prepared by the Associate for the Applicant and OhioMHAS approval:

1. Architectural Program Phase or Summary of Spaces Phase
2. Contract Document Phase

**All submittals are to be reviewed and approved by the Applicant before being submitted to OhioMHAS.**

The Associate shall submit a copy of each phase with approval letter by the Applicant to OhioMHAS for review and concurrence.

## **C. Design Policies**

It is the Associate's responsibility to design the facility within the project budget.

If it cannot be done, the Applicant and OhioMHAS shall be notified so that program changes can be made, alternates chosen, or an increased budget developed if local monies are available.

OhioMHAS will not participate in the costs of the following items. If the Applicant wishes, these items may be bid as add alternates, to be paid for by the Applicant:

1. Metal roofing such as galvanized and copper
2. Heavy and/or expensive roof finishes such as clay tile and wood shingles
3. Extravagant interior finishes
4. Off-site utilities, drives, etc. (require additional discussion)

## **D. Architectural Program Phase**

The Associate shall develop an architectural program. This submittal shall be based on information contained in the application, service needs, services to be provided, facility needs, and any additional information addressed at the pre-design meeting.

The **Applicant** shall approve and submit a copy of the program to the PM, for review and concurrence by OhioMHAS. Upon concurrence, the PM will notify the Applicant to proceed to the schematic design phase.

The architectural program shall include the following:

1. Description of program and services offered
2. A subsoil investigation is required for all new construction projects
3. Total gross square feet of entire building shall be estimated

4. Listing of rooms/areas:
  - a. What service the room/area is related to
  - b. Function of room/area
  - c. Net square feet of room/area
  - d. Number of persons accommodated at one time
  - e. Ceiling height
  - f. Storage requirements
  - g. Finishes
  - h. Security requirements, if applicable
  - i. Equipment (moveable and fixed) (see Appendix H)
  - j. Special observation requirements, if applicable
  - k. Other information as deemed necessary by applicant and/or associate

#### **E. Contract Documents Phase**

The Associate is responsible for ensuring that the contract documents conform to all applicable code and licensure requirements and that the facility is designed within the project budget.

Submittal:

1. Upon acceptance and approval by the Applicant, the Applicant shall submit one (1) copy of the following documents to the PM:
  - (a) Contract Drawings**
  - (b) Specifications**
  - (c) Final Cost Estimate Accepted by Applicant**
2. At the time of the contract documents submittal, the plans and specifications must be submitted to the certified building department having jurisdiction for their approval.
3. Upon final acceptance of the contact documents phase, the PM will notify the Applicant in writing to proceed to the bidding of contract documents.

#### **F. General Requirements for Contract Documents**

These are the project delivery methods available to the State of Ohio.

1. Design-bid-build (D-B-B)
  - Multiple-prime contracting (the traditional and default method for Ohio public authorities)
  - General contracting (Single-Prime)

2. Construction Management (CM)
  - CM as agent/adviser (used in conjunction with D-B-B multiple-prime)
  - CM at risk (CM holds the construction contracts)
  
3. Design-Build (D-B)
  - The owner holds a single contract for design and construction. Ohio law stipulates a bridging type model of D-B delivery with a Criteria A/E to develop the program, early design concepts, and the request for proposal to select the design-build team.

For additional information you can visit [www.ofcc.ohio.gov](http://www.ofcc.ohio.gov) and go to the drop down menu titled, “Resources” and select, “OFC Manual” for the full manual for state construction projects.

Specifications shall include the following:

1. The Associate shall determine the number of consecutive calendar days required to complete the work following written authorization to proceed. The number of days established must be inserted in the specifications before issuing copies to prospective bidders.
  
2. The following is to be referred to in establishing liquidated damages per day for non-completion of contracts (based on established construction cost):

<b>Liquidated Damages</b>	<b>Contract Amount</b>
	<b>No less than:</b>
\$ 150.00 per day on contracts up to	\$ 50,000
\$ 250.00 per day on contracts up to	\$ 150,000
\$ 500.00 per day on contracts up to	\$ 500,000
\$ 1,000.00 per day on contracts up to	\$ 2,000,000
\$ 2,000.00 per day on contracts up to	\$ 5,000,000
\$ 2,500.00 per day on contracts up to	\$ 10,000,000
\$ 3,000.00 per day on contracts up over	\$ 10,000,000

3. State wage rates shall be included in the general conditions. The Associate shall obtain these from the Department of Commerce, Division of Industrial Relations.
  
4. When using the manufacturer’s name method to establish the kind and quality of material or equipment required, list the products of at least three (3) manufacturers, unless a highly specialized item, available from only one or two sources, or it is necessary to match existing construction or equipment, or there are, in the judgment of the Associate, no other materials available in the quality desired for a particular item.

5. The articles, devices, materials, equipment, forms of construction, fixtures and other items named in the specifications to denote kind and quality shall be known as standards and all bids shall be based upon those standards.
6. Proposed equals to standard:
  - (a) If the bidder proposes to use an article, device, material, equipment, form of construction, fixture, or item other than those standards named, the bidder shall certify that the item is equal in quality, and all aspects of performance and appearance to that specified.
  - (b) The bidder shall submit information to the Associate no later than ten (10) days prior to bid opening, which submission shall include:
    - (i) The name and a complete description of the proposed equal, including drawings, performance and test data, and other information necessary for an evaluation;
    - (ii) A statement setting forth any changes which the proposed equal will require in the project.
  - (c) If the Associate approves the proposed equal as a standard, the Associate shall, no later than 72 hours prior to bid opening, excluding Saturdays, Sundays, and legal holidays, issue an addendum to all bidders.
  - (d) If the Associate finds the proposed equal is not acceptable, the Associate shall respond to the bidder in writing, no later than 72 hours prior to the bid opening, excluding Saturdays, Sundays, and legal holidays, stating the reason for the rejection, which decision shall be final. The Associate shall have the discretion to reject a proposed equal for the reason that the bidder failed to provide sufficient information to enable the Associate to evaluate the proposed equal without delay in the scheduled bid opening.
  - (e) No consideration shall be given to any proposed equal unless submitted to the Associate ten (10) days prior to the bid opening.

#### **IV. Bidding and Construction Contract Awards**

##### **A. Advertising**

Upon completion and approval of the contract documents, the PM advises the Applicant and/or the Associate to schedule a date, time and place for opening bids. The advertisement is the responsibility of the Applicant's; however, the advertisement should be approved by the OhioMHAS PM, and the advertisement procedure shall be in accordance with applicable state, county, and local laws.

**The state requires bids to be advertised one day a week on the same day for three (3) consecutive calendar weeks, and to be opened on or after the eighth calendar day following the last advertisement. If the Associate finds it necessary to issue an addendum to the contract documents within 72 hours of the bid opening, excluding weekends (Saturday and Sunday) and holidays, the bid opening is automatically postponed one (1) calendar week. No additional advertisement is necessary.**

## **B. Pre-Bid Contractor Review Meeting**

It is recommended that the **Applicant** schedule a pre-bid meeting through the Associate two weeks prior to the bid opening.

## **C. Bid Opening**

The Opening must be open to the public.

1. The following items are to be read (out loud) for each bid package:
  - a. Name of the contractor
  - b. Item number and cost
  - c. Check to see if the contractor has included the bid guaranty and contract bond or a certified check for ten percent (10%) of the total bid or a Letter of Credit for ten percent (10%) of the total bid, and state which has been included.

**Note: The bid is unacceptable if part or none of these is provided.**

2. The Associate tabulates the bids as they are read (out loud).
3. After the bid opening, the Applicant and the Associate meet to determine the apparent low bidder and to review the bid bond forms and the following:
  - a. The low bidder will be wither the contractor with the lowest base bid or the contractor with the lowest total bid (base bid plus accepted add alternates).
  - b. If the contractor has provided a bid guaranty and contract bond, the amount shown must be for the total amount of the bid (base bid plus all alternates) as follows:
    - (i) The bond is acceptable if the dollar amount is left blank
    - (ii) The bond must be accompanied by a Power of Attorney (POA) of the insurance agent
  - c. In lieu of the bid guaranty and contract bond, the bidder may submit a certified check, cashier's check, or letter of credit equal to ten percent (10%) of the total bid.

4. No bidder may withdraw his bid for a period of sixty (60) days after the bid opening unless the amount bid was substantially lower than other bids received due to an unintentional and substantial arithmetic error or an unintentional omission of a substantial quantity of work, labor or material.
5. Notice of a claim of right to withdraw such bid must be made in writing, filed with the Applicant within two (2) business days following the bid opening. The **Applicant** must notify the PM within two (2) business days of receiving the Contractor's withdraw notice.
6. The aggregate of the apparent low bids must be within ten percent (10%) of the Associate's estimate.

#### **D. Re-Bidding**

1. If the bids received are over the Associate's budget, but within 10%, the **Applicant** may elect to do one of the following:
  - (a) Cover the cost of the overrun
  - (b) Re-bid any or all of the contracts
2. If the aggregate bids received exceed 10% of the Associate's budget, then the bid item(s) that exceeds 10% and/or the total project must be re-bid. This entails reducing the scope of work and/or increasing the estimated cost(s).
3. For re-bidding purposes, a one-time advertising is acceptable with the concurrence of the PM.

#### **E. After-Bid Documents**

1. Within ten (10) working days, of the bid opening, the **Applicant** shall submit one (1) copy of the following material to the PM.

These items must be sorted by contract and submitted on letter-sized paper as one package:

- (a) Letter of Recommendation of bid awards from the Associate to the Applicant
- (b) Project cost information form; before bid estimate and after bid costs based on low acceptable bids (see Appendix J)
- (c) Bid tabulations certified by the Associate
- (d) Bid received from each low bidder, accompanied by the bid guaranty and contract bond, certified check, cashier's check, or letter of credit
- (e) Power of Attorney (POA) for those bids submitted with a bid guaranty and contract bond

- (f) Notarized proof of publication from the newspaper certifying bid advertisement
  - (g) Resolution of intent by the Applicant's board to award contracts to the low acceptable bidders, contingent upon concurrence by the State. The resolution should list each contractor, the base bid amount, and the accepted alternate(s) and the amount(s)
2. The PM will review the after-bid package. If all items are complete, the PM will notify the **Applicant** to proceed with awarding the contracts.

**Note: Contracts shall not be awarded prior to the notification to proceed from the PM.**

#### **F. Construction Contracts Award**

1. Notice of Award Letter will be sent to the Applicant from the PM. After the Applicant receives the notification to proceed, they shall send a Notice of Award Letter to each successful bidder.
2. Construction contracts shall be prepared by the **Applicant** using the AIA Standard form of agreement between owner and contractor.
3. Bonding companies' notification: Section 9.32 of the ORC requires the contracting authority (the Applicant) to notify the surety and surety agent of the bonding company of the award and of the amount of the contract. The agency is to notify the bonding companies of the low prime contractors.
4. Prior to the execution of the contracts, the prime contractors shall furnish to the Applicant:
  - (a) A material and labor cost breakdown showing itemized labor and material amounts for the total contract price. Lump sum figures will not be accepted.
  - (b) A declaration of insurance in compliance with specification requirements
  - (c) A worker's compensation certificate
  - (d) Bid guaranty and contract bond, to support this, the bidders shall also furnish:
    - (i) A Certificate of Compliance issued by the Department of Insurance, showing the bonding company is licensed to do business in the state of Ohio.
    - (ii) Financial statement of the bonding company
    - (iii) Power of Attorney credentials
    - (iv) If the contractor did not furnish a bid guaranty and contract bond with his bid, but instead furnished either a certified check, cashier's check, or letter of credit, he shall submit a fully executed contract bond in the amount of the contract.

- (e) Out of State contractor: if the bidder should be a corporation not incorporated under the laws of the state of Ohio, they shall also furnish a Certificate from the Secretary of State of Ohio which shows the right of the bidder to do business in the state of Ohio.

## **V. Construction**

### **A. After-Contract Submittal Documents**

The Applicant shall submit to the PM the following document(s):

1. Time-progress construction schedule submitted by the general contractor signed by all prime contractors and the Associate. Any change in the approved schedule during construction must be approved by the Applicant and concurred with by the PM.
2. The Applicant shall assemble an after-contract document packet and submit one (1) copy to the PM. The packet must be sorted by contract and submitted on letter-sized paper as one package.

The packet shall contain the following:

- (a) Notice of Award Letter**
- (b) Signed Contract(s)**
- (c) Notice of Commencement**

### **B. Pre-Construction Meeting Scheduling**

The Associate schedules the date, time, and place for the meeting. Persons attending the meeting will be the Associate, an Applicant's representative and all prime contractors. The Associate chairs the pre-construction meeting and takes minutes.

**Note: Construction may not begin without receipt of an approved Declaration of Insurance from each contractor**

### **C. Progress Meetings**

Progress meetings are to be held at least once a month. The Associate chairs the progress meeting and issues minutes. One (1) copy of the minutes shall be sent to the PM.

## **VI. Project Close-out**

### **A. Final Inspection**

The PM shall be notified of the time and date of the final inspection.

A final inspection review will be conducted by the Associate and Applicant after the contractors notify the Associate of completion of all punch list items.

Substantial Completion Certificate can be issued should the Associate need to occupy the facility, or any part thereof, before final building completion is accomplished. The Associate must issue, on the format provided, a Substantial Completion Certificate for the occupied area (See Appendix L).

## **B. Close-out Documents Submittal**

Contract Completion Certificate will be issued by the Associate on the format provided once all punch list items have been corrected satisfactorily (See Appendix M).

Each prime contractor must provide to the Applicant, through the Associate the following items:

- (1) Operating Instructions: A bound volume containing all manufacturer's catalog numbers, and description and parts list for each piece of mechanical and electrical equipment, and service manuals
- (2) As-built drawings
- (3) Guarantees beyond one (1) year
- (4) All door and panel keys
- (5) Material receipt for materials left on the project (e.g., paint, extra tiles, wall coverings, etc.)
- (6) Contractor's Certification that the work has been completed and performed per the drawings and specifications. This shall be submitted on Contractor's letterhead and notarized
- (7) Inspection Certificates for plumbing, boiler, pressure piping, and electrical work, as applicable
- (8) Water and air balance reports certified by the engineer that the system meets design requirements, as applicable

The Applicant shall also obtain from the contractors through the Associate the following documents. One (1) copy of each shall be submitted to the PM:

- (1) Notarized affidavit from each prime contractor that the prime has paid the prevailing wage rates (see Appendix N)
- (2) Waiver of lien from each prime contractor (see Appendix N)
- (3) Certificate of Occupancy issued by the appropriate building department for the facility. The Associate is responsible for obtaining a copy of the Certificate of Occupancy

- (4) Notarized cost statement detailing all items that the Applicant contracted and paid for
- (5) Completion certificate issued by the Associate for each prime contractor (see Appendix M).

**The Associate is responsible for ensuring that closeout documents have been submitted by each prime contractor.**

**Note: The Associate shall not authorize final pay requests until all close-out documents have been received.**



# APPENDICES

<b>LETTER</b>	<b>NAME</b>	<b>PAGE</b>
A	Articles of Incorporation & By-Laws	A1 – A2
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**Articles of Incorporation and By-Laws**  
**Information required in Articles of Incorporation and By-Laws**  
**for private, not for profit corporations**

All not-for-profit corporations applying for state community construction assistance funds from OhioMHAS shall be subject to the following requirements regarding corporate purposes, the board of trustees, members, and employees of the corporation.

- (A) The articles of incorporation have the following provisions in addition to those otherwise required by law:

A specific statement of purpose that the corporation will provide a behavioral health service which will serve public purposes.

A provision that upon dissolution of the Corporation, OhioMHAS or its Successor shall be a party to any judicial proceeding or other dissolution proceeding or agreement and that OhioMHAS or its Successor may be distributee under such order or agreement to the extent of its participation and the extent provided by law or participation agreement which originally set forth disbursement of funds to the corporation.

- (B) The Constitution or By-Laws have the following provisions in addition to those otherwise required by law:

- A description of the methods for selection, appointment, or election to the board, and the methods of selection, appointment, or election of officers.
- A provision limiting the term of office of trustee and officers, and prohibiting an employee or officer of the corporation from being a trustee.
- A provision stating that the board of trustees shall include representatives of the community to be served.
- A provision that no person related by consanguinity or marriage shall constitute a majority of the board of trustees.
- A provision to require the abstention of trustee in a vote on a matter directly affecting persons employed or to be employed by the corporation and related to the trustee by consanguinity or marriage.
- A provision, where applicable, which will place the corporation in a tax-exempt status pursuant to federal internal revenue service statutes and regulations (section 501 of the internal revenue code, as amended).
- A non-discrimination provision stating that service will neither be rendered nor denied on the basis of race, color, religion, national origin, sexual orientation, or unless programmatically justifiable, sex.





9. Provide statement that site (land and structures) is free of any hazardous materials or waste products.
10. Submit a plan of the site with boundaries showing location of existing buildings and dimension to lot lines and adequate structures, rights of ways and required setback.
11. Does the site have city/county water, or well water? If the site has a well, provide verification from the county health department that the water is safe for drinking.
12. Explain how residents will access services such as shopping, banking, MH services, etc.

**A. Existing Building: Renovation Only**

Site Identification and Feasibility Study shall include the following additional information:

1. Have a building inspection completed by a qualified firm/person and submit a copy of the written report. Items to be covered include but are not limited to the physical condition of the structure and systems and life, safety, and environmental hazard (asbestos, lead paint, etc.) concerns.
2. List the proposed renovation needs, interiors, exterior, structural, electrical, and mechanical, including their estimated costs.
3. Provide a sketch of each floor, showing the following:
  - (a) Basement, outside dimensions and gross area of floor to scale. Include walls, corridors, columns, etc. Note the scale on the drawing.
  - (b) Size of each room and its intended use.
4. ADA accessibility shall be assessed/addressed. OhioMHAS expects, in the least, that basic ADA accessibility issues are met (including existing structures), therefore, this assessment and cost feasibility should be made prior to any purchase consideration.
5. For multi-person facilities, state the total number of units and how many of these units will be MH clients.
6. If there are current residents, briefly explain your relocation plan.

**B. New Construction**

All projects involving new construction shall include the following additional information:

1. Show the location and size of existing site utilities. The state will not participate in the cost of off-site utilities. If no utilities are available, what will be the estimated cost to provide on-site utilities?

2. Written EPA approval or tentative conditional approval of the sewage system, if applicable.
3. Submit a soils report if U.S. geographical map is available, the type of soil may be available from that source. If not available, check the soils condition of adjacent sites if new construction is in progress.

**Note: The state will only participate in a soils investigation after the site is approved and purchased.**

4. Estimated costs for:
  - a. Construction
  - b. Moveable equipment
  - c. Architect fees
  - d. Site
  - e. Miscellaneous (e.g., permit fees, soil testing, dosing costs, etc.)
5. All new construction shall comply with present ADA accessibility requirements. Residential living facilities shall have a reasonable number of rooms in compliance with ADA standards.
6. Sites for new construction shall have an environmental assessment completed by a professional firm engaged in this type of work.

**Appraisal  
Bureau of Real Estate Policy  
on Appraisal Reports**

1. Projects exceeding \$100,000.00 in value shall require two (2) independent appraisal reports.
2. Copies of reports are generally acceptable, however, copies must be legible, and the pictures of the subject, and comparable properties, must be of good quality (use prints in each copy).
3. Pages of all appraisal reports should be numbered.
4. An appraisal report must be submitted within one year of its effective date, to be considered valid. Any reports furnished after one year should be updated by the appraiser.
5. Form reports - The Fannie Mae appraisal form, may be acceptable in the appraisal of certain residential properties, provided that the value of the property does not exceed \$50,000.00, and the form is supplemented by:
  - a. Photographs of the subject and comparable sales
  - b. Detailed information on the comparable sales
  - c. Twenty (20) year history of the property, as per guidelines
  - d. Lease information, if applicable, as per guidelines
  - e. Certification of value, as per guidelines
  - f. Qualifications of the appraiser
  - g. Location map showing subject property, in relation to comparable sales
6. Preliminary appraisal reports and opinions of value-reports of this type are not acceptable since the appraiser does not offer sufficient support of his opinion, for the reviewer to make a final judgment.
7. Narrative appraisal reports- this type of report is most appropriate for the majority of projects dealt with by this office. Although all reports should follow the guidelines previously established, as well as those for professional appraisal practice, the complexity of the appraisal problem should determine the detail necessary for the appraiser to adequately support his/her opinion. The reports should be of professional quality, with the appraiser's value supported by his/her analysis. Any information included within the report should be purposeful, and not extraneous. For example, we are considerably more interested in how an appraiser determines the "highest and best use" of a property, than seeing an elaborate definition of what "highest and best use" is.

Should there be any questions regarding the details involved in an appraisal report it is suggested that you contact Department of Administrative Services, Real Estate Supervisor, at (614) 466-8435.

**Ohio Department of Administrative Services  
Acceptable Appraisal Guidelines**

In an effort to standardize our review process, assure uniformity and quicken the reviewing of reports, we have prepared guidelines for acceptable appraisal reports.

Since it is our responsibility to insure that state transactions are based upon appropriate and reasonable valuations, we must insist upon certain basic guidelines for appraisal reporting.

These guidelines shall apply to all appraisal reports, which are furnished to this office for review. Incomplete reports will be returned to the submitting agency for additional information, or rejected if the appraiser does not demonstrate adequate ability to handle the appraisal problem.

It is recommended that these guidelines be distributed to all agencies which may have cause to submit an appraisal for our review, as well as the appraisers who will be involved in a project.

This agency reviews appraisals of all types and classes of property, ranging from single family residences, to hospitals for purchase, sale, lease, participation, transfer, etc. As a result of the variety of projects dealt with, our guidelines may be somewhat broad and some of the requirements may not be specifically applicable to every appraisal project; however, the appraiser should direct any questions he or she may have to this office.

These guidelines are basically the same as that recommended by the major appraisal organizations, and have been altered to a degree to meet the state's special needs. They have evolved over a period of time and result from problems which have been encountered through the course of our experience. By following these guidelines, we anticipate that duplication of effort will be avoided, money saved, the quality of the appraisal reports upgraded, and the specific needs of the state of Ohio will be better met.

**Items to be Included and Special Needs**

1. Identification of the property:

This is necessary so that the property will not be confused with another parcel. Should the reviewer need to see the property there should be no question as to its location. Included in this section should be any and all of the following, if appropriate:

1. Street address
2. Legal description
3. Side of the street and distance from cross streets
4. Plat maps

2. Purpose and objective of the appraisal:

In most reports, this section will be minimal, but should include the following statements:

The purpose of this appraisal is to estimate (type of value), as of (a given date). The objective of this report is to (state reason appraisal was made).

3. Definition of value:

This section should generally be limited to an acceptable textbook definition of market value, since that is what is typically estimated.

4. Property rights appraised:

This section may be extremely important, particularly with the acquisition of property where leasehold interests exist. In such cases stating “fee simple interest has been estimated”, may not be adequate. The appraiser should note, in his or her report, possible leases of over a year in duration, as well as the terms and conditions of such leases, if possible. This should also include advertising sign leases, parking leases, land leases, etc.

Upon discovering leasehold interest in a property, it would be advisable for the appraiser to contact this office for further directions, since valuation of the leasehold/leased-fee interest may be necessary. Since the typical appraisal assignment does not involve this step, the appraiser should be instructed to look for this information, at the onset of the project.

This section may be very minimal or quite extensive.

5. Date of Value:

The date of value is typically the last date the property was inspected and is the date the value estimate applies.

6. City, Neighborhood, and Location Data:

All the important facts about a city and its surrounding territory that the appraiser has judged pertinent to the specific appraisal problem may be included here.

In making the appraisal, all pertinent facts are considered and weighed, but the discussion and the report should be confined to data found significant to the problem under consideration. Under this heading, items such as the following may be included:

1. Distance and direction from employment centers
2. Public Transportation
3. Road patten, layout and width of street
4. Proximity to good shopping
5. Proximity to grade, and other schools
6. Proximity to parks and recreation
7. Proximity to nuisances
8. Police, fire protection, and rubbish collection
9. Life stage of neighborhood
10. Population trend
11. Percentage of ownership

12. Vocations, wage levels, and rent levels
13. Conformity to development
14. Vacancy in living or commercial facilities
15. Restrictions and zoning
16. New construction activity
17. Percentage of vacant land
18. Changing land use
19. Level of taxes
20. Adequacy of utilities and street improvements
21. Adequacy of parking-street and off street
22. Concentration of advertising by retail merchants
23. Street traffic-type and amount
24. Pedestrian traffic-type and amount
25. Proximity to expressways, toll roads, and airports
26. Rail connections and service for freight
27. Labor supply, quantity and type

This section should be thorough, but should be appropriate for the property being appraised and not simply a canned readout from a word processor.

7. Zoning:

This section should include the property's existing zoning and private restrictions, and what uses are allowed under these requirements, as well as their effect on the use of the property. The appraiser should also note possible future changes in zoning patterns, which may affect the subject.

8. Taxes:

The assessed valuation of the property, annual taxes, and assessments, should be included in this section of the report.

9. Site Data:

Data should include a description of the site area, shape, contour, soil, subsoil, and utilities available. This section may be relatively minimal, or may be extensive, depending upon the circumstances.

10. History of the property:

This section is viewed as particularly necessary with regard to property acquisitions, and participation projects. In such cases a twenty (20) year history of the property should be included. Needed items include: current owners name, complete parties to the transfers, dates, conveyance fees, and county recording information. We realize that the appraiser is not a title abstractor however most of this information is readily available at the county courthouse, and easily obtained.

11. Description of the improvements:

In this section, the appraiser includes and discusses all building improvement data relevant to the appraisal problem. Although, during the appraisal process, a large amount of data is considered and processed, only the significant factors and elements that influence conclusions need be set forth. These include:

1. Age and size of building.
2. Number and size of units.
3. Structural and construction details.
4. Mechanical equipment.
5. Physical condition.
6. Discussion of functional utility.

We encourage the use of a site sketch, a floor plan, exterior photographs, and an interior photograph, showing the typical condition and components of the improvements.

**Highest and Best Use Analysis**

The highest and best use analysis is the cornerstone on which the balance of an appraisal report is based. As a result, an acceptable highest and best use analysis should be included in all appraisal reports, along with a definition of highest and best use.

The complexity of this analysis should be based upon the complexity of the valuation problem at hand.

**Land Value**

This section includes the presentation of market data, or other information, pertaining to land value, together with the appraiser's analysis of this data and reasoning, leading to a value conclusion.

**Approaches to Value**

There are three (3) traditional approaches to a value estimation, namely, the cost approach, market data approach (direct sales comparison approach), and the income approach.

In the cost approach, an estimated reproduction or replacement cost of the building, and land improvements, is developed together with an estimate of loss-in-value due to wear and tear, design and plan, or neighborhood influences. The depreciated building cost estimate is added to the estimated value of the land. The total represents the value indicated by the cost approach.

In the market data approach, the subject property is compared to similar properties that have been sold recently. Comparisons are made to demonstrate a probable price, in which the property being appraised would sell, if offered on the market.

In the income approach, the present rental value is shown with a deduction for vacancy and other expense, and a conclusion about the perspective net operating income of the property as developed. In support of this net operating income estimate, operating statements for previous years may be reviewed together with available experience operating cost estimates. An applicable capitalization method and appropriate rates are developed for use in computations that lead to an indication of value by the income approach.

In many appraisal reports, use of one or more of the approaches, may not be applicable or appropriate. In such cases, the appraiser must be able to convey to the reviewer his or her reasoning for omission of the approach.

All data included in the valuation approaches should be thorough, well documented, and reliable. Since this portion of the appraisal is in essence the primary thought process behind the value rendering, the appraiser must be able to convey to the reviewer his or her reasoning, in a logical and supported manner.

### **Reconciliation of Value Indications**

This is the section whereby the appraiser reconciles the value indications into a final estimate. In this, he or she should briefly describe the strengths and weaknesses of the value indications offered and value approaches used in support of his or her value indication.

### **Certification of Value**

In order to assure that an appraisal report has been made in a professional, ethical, and objective manner, this office requires the appraiser to certify that he/she:

1. Personally inspected the property
2. Considered all available factors affecting the value, and forming an opinion of value
3. Has no present or contemplated interest in the property
4. Conducted the appraisal in conformity with the ethics of the appraisal profession
5. Did not base the appraisal fee on the value reported
6. Attests that the data included in the report, is correct to the best of the appraisers' knowledge
7. Was not hired on the basis of, or for the purpose of reporting a pre-arranged or pre-conceived value estimate and that his or her value estimate is objective and based upon their own analysis and conclusions

### **Qualifications of the Appraiser**

This section should include:

1. The professional experience of the appraiser.
2. His or her educational background and training.
3. His or her business, professional, academic affiliations, and activities (sampling).

4. Clients for whom the appraiser has rendered professional services, etc. (sampling).

### **Addenda**

Depending upon the size and complexity of an appraisal assignment an addendum may be included. Such data to be included may be:

1. Location map-acceptable appraisal reports will include a location map which will indicate the location of the subject property, in relation to the comparable sales
2. Plans and elevations of buildings
3. Photographs of properties referred to in the report-acceptable appraisal reports will contain photographs of the subject property as well as the comparable sales
4. City, neighborhood, and other maps with data
5. Charts and graphs
6. Abstracts of leases, historical income and expense data
7. Specifications of buildings
8. Detailed estimates of reproduction costs of buildings, sales and listing data, tax and assessment data, etc.

### **URAR Appraisal Form**

The state of Ohio will now accept property appraisals using the Uniform Residential Appraisal Report (URAR) form, if said property is \$100,000.00 or less, and attachment of the following items are included:

1. Requires a sketch of the floor plan, if applicable
2. Requires photographs (no photocopies) of comparable(s)
3. Requires a map, showing the location of comparable(s)
4. Requires a photograph of one (1) room in the house, showing the typical condition of the interior

**Assurances**

**NOTE: THIS SECTION IS INCLUDED IN THE APPLICATION**

See pages 9 through 12 of the Capital Application

Project: MH- \_\_\_\_\_

**Contract**

The Parties to this contract are: The State of Ohio, Department of Mental Health and Addiction Services, hereinafter called: Department, \_\_\_\_\_, hereinafter called: Applicant and \_\_\_\_\_, hereinafter called: Board.

Whereas, the Department has approved Applicant's application for community assistance funds, hereinafter called: Application, which application is incorporated herein and made a part hereof by reference for all purposes, for the

\_\_\_\_\_  
Located at \_\_\_\_\_ in \_\_\_\_\_ County, Ohio, said project to be known as Project No. MH- \_\_\_\_\_, hereinafter called: Project; and

Whereas, the Department after its review of the Project Application, has determined that the site acquired by Applicant, hereinafter described more fully in Exhibit A, attached hereto and made a part hereof for all purposes, when appropriately modified, is adequate and desirable for Project; and

Whereas, the Department has determined that estimated project costs will be \$ \_\_\_\_\_.00 and that the state share of project costs shall not exceed \$ \_\_\_\_\_.00; and

Whereas, the state funds to be provided under this contract were appropriated under S.B. \_\_\_\_\_ (H.B. \_\_\_\_\_), line item CAP- \_\_\_\_\_, as designated by the state controlling board; and

Whereas, the purpose of this contract is to provide behavioral health facilities and to insure the continued use of these facilities for behavioral health services; and

Whereas, the Board intends to support programs described in the Application, to at least annually monitor the program and operations of the Project, and to cooperate with Department in seeking or developing alternative uses for the Project in the event of Applicant's default.

Now, therefore, the parties agree as follows:

Applicant shall enter into binding written contracts for all work to be done and all materials to be furnished for the work completed herein.

1. Department will reimburse Applicant upon Applicant's written request, based on actual payments made by Applicant, for approved project costs as verified by Department audit of vouchers paid. Reimbursements shall be limited to 90% of the total amount approved for State participation until: (a) Approval by Department of all construction work performed, receipt of an affidavit or contractor by original contractor and notarized waivers by all subcontractors, materialmen and laborers waiving all present and future claims to place a mechanic's lien on said premises; (b) Department has received evidence that the Project has been accepted by the Applicant; and (c) a final audit has been completed. Upon receipt and approval of the above, Department shall reimburse Applicant the final 10% of the amount approved for State

participation.

Department agrees to reimburse Applicant when Department has received satisfactory evidence that: (1) Applicant has complied with all other applicable provisions of this Contract dealing with Title, Mortgage, and Applicant resolution; and (2) Applicant has awarded all construction contracts for the facilities under this Contract. The Applicant shall enter into, execute, and deliver a Note and a recorded Mortgage for the acquired property as security for the monies to be reimbursed under this Contract before any such reimbursements are made by OhioMHAS.

2. Applicant assures that use of the land facilities under this Contract shall be devoted exclusively to behavioral health services which are described in more detail in the Application and which are summarized as follows: to provide for individuals with mental illness and/or addictions. These services shall be provided for the term of this Contract and Department, with input from the Board, including annual reports on Board's monitoring of the Project, and has the authority to determine whether such services are being adequately provided under this Contract. In the event Department determines Applicant has failed to provide and maintain adequate, sufficient, or acceptable services and facilities as described in the Application, then Department shall notify Applicant, in writing, of any deficiencies. In the event that Applicant fails to cure the said deficiencies within one hundred eighty (180) days of notification or such further reasonable time as Department may grant, then such failure shall constitute an event of default under this Contract. In the case of default, the provisions of Paragraph 9 apply. Department shall be reasonable in determining whether or not the services are unacceptable.

3. The Parties agree that the use of the facilities under this Contract shall be for those services described in the Application. If any Party believes that the need for the services described under this contract no longer exists, through no fault of any Party, that Party may provide written notice to the others. Department shall be reasonable in determining whether such need continues to exist.

Upon a determination by Department that the need for the services described in the Application no longer exists, the Parties shall enter into negotiations to find a mutually agreeable use similar to the original use of the facility. Board shall work cooperatively with Department to seek or develop alternative behavioral health uses for the Project.

In the event that the Parties cannot mutually agree upon either a similar or new use for the facility, then Department may declare Applicant to be in default and Applicant shall repay the reimbursements made to it in the same manner as specified in Paragraph 9.

4. The parties agree that the term of this Contract shall be for thirty (30) years commencing upon the effective date of this Contract, and that in the event the use of the facilities constructed under this Contract are changed by direct action of Applicant prior to the expiration of thirty (30) years to a use other than the provision of an approved behavioral health service as determined by Department, such change shall constitute an event of default under this Contract.

5. Any transfer by sale, gift, devise, operation of law, or otherwise of the fee title interest in all or any portion of said Premises or any other property secured hereunder shall have the same consequences as an event of default respecting the indebtedness secured

hereby. Upon such transfer, Department, without prior notice or the elapse of any period of grace or the right to cure, shall have the right to declare all sums secured hereby, immediately due and payable. If Applicant fails to make such payment within thirty (30) days of written demand therefore, Department shall have the right to exercise all remedies provided in this Contract, or otherwise at law, without limitation.

6. In the event of the insolvency or bankruptcy of any action by Applicant under the Bankruptcy Act, including voluntary or involuntary bankruptcy or reorganization under any chapter of the Bankruptcy Act, the assignment for the benefit of creditors, the appointment of a receiver, the insolvency of the Applicant or any judgment of execution which has not been satisfied within thirty (30) days of the rendering thereof, Department shall have without further notice, the absolute right to declare Applicant in default and to proceed with its remedies under Paragraph 9 of this Contract or any other remedies available to Department.

7. The following shall also constitute Events of Default hereunder:

(a) The failure of Applicant to comply with any provision of law(s) of the State of Ohio, or Administrative Rule(s) of OhioMHAS.

(b) The failure of Applicant to pay any tax, claim lien, encumbrance, or insurance premium, when the same is payable; or to keep the premises in repair;

(c) The failure of Applicant to perform any covenant or agreement in this Contract:

(d) The failure of Applicant to continuously use the facility for the performance of approved behavioral health services;

(e) The occurrence of any Event of Default as defined in this Contract.

8. The failure of Applicant to comply with any of the terms of this Contract, time in each instance being of the essence, shall be deemed a default for which Department shall be at liberty to exercise all legal and/or equitable rights and remedies either successively or concurrently. No failure or delay of Department to prosecute any default by Applicant, or to exercise any power given it hereunder, and no custom or practice at variance with the terms thereof, shall constitute a waiver of any succeeding default by Applicant of Department's right to demand exact compliance with the terms hereof. The failure or delay of Department to enforce at any time any of the provisions of this Contract shall not be construed to be a waiver of such provision.

9. In the event of default by Applicant, Applicant shall reimburse Department in an amount equal to such amount as was actually reimbursed to Applicant under this Contract, minus one-three hundred sixtieth (1/360) per month in which the site and project were used for the behavioral health services as approved by Department to the total term of this Contract which is three hundred sixty (360) months.

10. Upon the happening of any one or more of said Events of Default, the entire unforgiven balance of the principal, and all other sums and/or reimbursements secured in this Contract shall, at the option of OhioMHAS, become immediately due and payable without notice or demand, and in any such Event of Default, Department may forthwith institute such actions as the law may allow, at law or in equity, for the enforcement of this contract.

In the event of default, the Parties hereto agree that nothing contained in this Contract shall preclude Department from exercising all rights granted to it in the Open End mortgage and Note given to it by Applicant and dated \_\_\_\_\_, 20\_\_ .

11. Any notice required or permitted to be given hereunder, shall be in writing and shall be hand delivered or delivered by certified mail, postage prepaid, and shall be deemed to have been given on the date that the notice is received as set forth below:

Notice to Applicant:

Notice to Department: Ohio Department of Mental Health and Addiction Services (OhioMHAS)  
Bureau of Capital Planning and Management  
30 East Broad Street, Suite 1160  
Columbus, OH 43215-3430

Notice to Board:

Each party may, by written notice to the other, change the place to which all further notices to said parties shall be sent.

12. All representations and warranties contained in this Contract shall survive the Closing.

13. This Contract, including any exhibits referred to herein, contains the entire Contract between the Parties with respect to the transaction contemplated herein. It may be executed in any number of counterparts, each and all of which shall be deemed for all purposes to be one Contract. The Contract may not be changed or modified orally but only in writing and signed by the Parties thereto.

14. This Contract shall be governed by and construed according to the laws of the State of Ohio.

15. This Contract shall not be assignable by Applicant without the written consent of Department during the term of this Contract. Nothing in the contract is intended to confer upon any person other than the Parties hereto and their successors any rights or remedies under or by reason of this Contract.

16. This Contract shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

17. The provisions of this Contract are separable, it being the intention of the Parties that should any provision hereof be found invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions, but the same shall remain in full force and effect as though such invalid provisions had not been herein contained.

18. Applicant shall comply with any and all municipal ordinances, statues, rules, regulations or other law affecting the premises within 30 days after notice thereof.

19. Applicant shall furnish a certified copy of a corporate resolution or other corporate document that clearly shows that the person or persons who sign on behalf of the Applicant have the authority to sign and bind Applicant to the terms of this Contract.

20. Applicant shall furnish Department with proof of good title in the acquired property which proof shall be a current valid title insurance policy.

21. Applicant warrants that he is the lawful fee simple owner of the Land, and has the right to obligate the same. The land is free from all liens, encumbrances, easements, right-of-way, restrictions, covenants, reservations, or other conditions which affect Applicant's authority to obligate said premises.

22. Should the Attorney General or his designated assistant, in their sole discretion, not find good title to the Premises in Applicant, then this Contract shall be null and void.

23. Should Applicant, within a reasonable time, not furnish the above referenced resolution or proof of good title or not execute and deliver to the Department and aforementioned Mortgage, Note and Deed, then this Contract shall be null and void.

24. Applicant shall execute, furnish and deliver to Department upon request, any and all affidavits concerning matters involving the real property, fixtures, and/or personal property which are security for this Contract.

25. Board shall furnish a Board Resolution authorizing the person or persons who sign on behalf of the Board to bind the Board to the terms of this Contract.

26. The obligations of the State of Ohio arising under this Contract are subject to the provisions of Section 126.07, of the Ohio Revised Code.

27. Applicant expressly recognizes and agrees to abide by its obligation pursuant to Section 154.20 of the Ohio Revised Code and rules as hereafter promulgated in accordance with this Section.

28. Applicant hereby indemnifies and agrees to hold the Department harmless against, from, and in respect of: (a) any and all claims, demands, expenses, losses, damages or deficiencies of any nature whatsoever to persons or property resulting from, arising out of, or attributable to: (i) any misrepresentation by Applicant; (ii) any breach of or untruth of any warranty made by Applicant; (iii) non-fulfillment of any agreement on the part of Applicant; (iv) any inaccuracy or omission in any certificate or other instrument furnished by Applicant or its officers required under this contract; (v) any liability or obligation of Applicant whether or not yet asserted and whether absolute or contingent, including without limitation any liability arising from claims or lawsuits arising out of this Contract; (vi) any acts or omissions by Applicant, its employees, agents or servants arising out of the Contract; (vii) any litigations brought by or against Applicant for acts or omissions arising out of Applicant's obligations under this Contract; and (b) any and all actions, demands, judgments, costs, interest and legal or other expenses incidental to any of the foregoing.

29. If Applicant complies with the provisions of this Contract and pays to Department said principal sum, and all other sums payable by Applicant to Department as are hereby secured, in the manner and at the time herein set forth, without deduction, fraud, or delay, then and from thenceforth this Contract, and the obligation hereby created shall cease and become void, anything hereinafter contained to the contrary notwithstanding.

When this Contract has been executed by all Parties, it will be effective as of \_\_\_\_\_, 20\_\_\_\_.

**Applicant**

This Contract is executed in two (2) counterparts.

Witness: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Acknowledgment**

**State of Ohio**

**County of** \_\_\_\_\_

Be it remembered that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me the subscribed, a Notary Public in and for said County personally came \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, of \_\_\_\_\_ and \_\_\_\_\_ Acknowledged the signing of the foregoing Contract to be their and its voluntary act and deed, individually and corporately pursuant to authority of its Board of Trustees.

In testimony thereof, I have hereunto subscribed my name and affixed my seal on this day and year aforesaid.

\_\_\_\_\_  
Notary Public

**Board**

This Contract is executed in two (2) counterparts.

Witness: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Acknowledgment**

**State of Ohio**

**County of** \_\_\_\_\_

Be it remembered that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me the subscribed, a Notary Public in and for said County personally came \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, of \_\_\_\_\_ and \_\_\_\_\_ Acknowledged the signing of the foregoing Contract to be their and its voluntary act and deed, individually and corporately pursuant to authority of its Board of Trustees.

In testimony thereof, I have hereunto subscribed my name and affixed my seal on this day and year aforesaid.

\_\_\_\_\_  
Notary Public

**State of Ohio, Department of Mental Health and Addiction Services**  
Lori Criss, Director

This Contract is executed in two (2) counterparts.

Witness: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_

Print Name: Jonathan Baker, Chief  
Bureau of Capital Planning & Management

For

Lori Criss, Director

**Acknowledgment**

**State of Ohio**  
**County of** \_\_\_\_\_

Be it remembered that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me the subscribed, a Notary Public in and for said County personally came Jonathan Baker, Chief of Capital Planning and Management, Ohio Department of Mental Health and Addiction Services, and Acknowledged the signing of the foregoing.

In testimony thereof, I have hereunto subscribed my name and affixed my seal on this day and year aforesaid.

\_\_\_\_\_  
Notary Public

**Addendum to Contract**

Ohio Revised Code Section 9.24 prohibits the state from awarding any contract to a person or entity for whom the Auditor of State has issued a finding for recovery.

Contractor warrants that it is not subject to an “unresolved” finding for recovery under O.R.C. 9.24. If the warranty is deemed to be false, the Contract is void from the beginning and the Contractor shall immediately repay the State any funds paid under this Contract.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Date

Accepted by:

\_\_\_\_\_  
OhioMHAS (Department)

\_\_\_\_\_  
Date

**Exhibit A**

Project: MH-\_\_\_\_\_  
- Address - , City , OH  
\$ - Amount -

**Open End Mortgage**

This Mortgage is made this first day of \_\_\_\_\_ (Month), 20\_\_\_\_, between \_\_\_\_\_ (Applicant), (hereinafter called “Mortgagor”) and the Ohio Department of Mental Health and Addiction Services (OhioMHAS) (hereinafter called “Mortgagee”), whose principal offices are located at 30 East Broad Street, Columbus, Ohio, 43215.

Mortgagor claims title to the Premises by Warranty Deed dated \_\_\_\_\_, 20\_ and recorded in the Office of the County Recorder of \_\_\_\_\_ County, Ohio, on \_\_\_\_\_, 20\_ as Deed \_\_\_\_\_, which premises is more fully described in Exhibit “A” attached hereto and made a part hereof.

Whereas, Mortgagor by his certain note (hereinafter called “note”) bearing the same date as this Mortgage is indebted to Mortgagee in the principal sum of \$ \_\_\_\_\_ lawful money of the United States of America, disbursed or to be disbursed as reimbursements by Mortgagee to Mortgagor according to the terms and conditions of the Note herein referenced for all purposes; and

Whereas, Mortgagee agrees to reimburse Mortgagor for project costs in an amount not to exceed \$\_\_\_\_\_ in accordance with the reimbursement provisions pertaining to the project covered by this Mortgage, as delineated in the Contract and which is herein incorporated by reference and is referred to in Section 4.10 below.

Now Therefore, in consideration of said indebtedness provided for herein and for better securing the payment of the same, the interest thereon, and all other sums provided for in the Note or herein, to Mortgagee, and the performance of the covenants and agreements hereinafter expressed, Mortgagor does hereby grant, convey, and mortgage unto Mortgagee the real property (herein called “Site”, “Land”, or “Premises”) described in Exhibit “A” attached hereto and made a part hereof for all purposes.

Together, with any and all buildings and improvements erected or hereinafter erected thereon.

Together, with all building materials, fixtures, machinery, and equipment delivered on site to the Land during the course of construction of any buildings or improvements thereafter, if intended for addition thereto, or incorporation therein, or thereon, or if suitable for any such use.

Together, with all and singular tenements, hereditaments, and appurtenances belonging to the Land or any part thereof, hereby mortgaged or intended so to be, or in any way appertaining thereto (including but not limited to all income, rents, and profits arising therefrom), all streets, alleys, passages, ways, watercourses, and all other rights, liberties and privileges of whatsoever kind or character, the reversions and remainders, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor, in and to all of the foregoing or any or every part thereof (said Land, building improvements, fixtures, machinery, tenements, and other property interests being hereinafter collectively called “Premises”).

To Have and To Hold the Premises unto the Mortgagee, its successors and assigns forever.

**Article I Covenants**

Mortgagor hereby covenants and agrees with Mortgagee, as follows:

**Warranty of Title**

1.1 Mortgagor warrants that he is the lawful fee simple owner of the Land and has the right to convey the same. The Land is free from all liens, encumbrances, easements, rights-of-way, restrictions, covenants, reservations, or other conditions, except as set forth in Exhibit "B", attached hereto and made a part hereof for all purposes.

Mortgagor will warrant and defend said premises, with the above mentioned appurtenances, to the said Mortgagee, its successors and assigns, forever, against all lawful claims or claims and demands whatsoever, except those hereinabove set forth.

**Payment of Indebtedness**

1.2 Mortgagor shall pay to Mortgagee the principal sum of the Note and any and all reimbursements made hereunder according to the terms of the Note secured hereby, reasonable charges fixed by Mortgagee to satisfy and discharge this mortgage of record, and all other sums hereby secured; and shall keep and perform every other covenant and agreement of such Note and this Mortgage.

**Waste and Maintenance of Premises**

1.3 Mortgagor shall abstain from and not permit the commission of waste in or about the Premises; shall not remove or demolish, or alter the structural character of any building at any time erected on the Premises without the prior written consent of the Mortgagee; shall maintain the Premises in good condition and repair, reasonable wear and tear excepted. Mortgagee shall have the right, but not the duty, to enter upon the Premises at any reasonable hour to inspect the order, condition, or repair thereof including the interiors of any buildings and improvements located thereon.

**Insurance Obligation**

1.4 Mortgagor will procure, deliver to, and maintain for the benefit of Mortgagee during the continuance of this Mortgage and until the same is fully satisfied and released, a policy or policies of insurance insuring the buildings and improvements now existing or hereafter erected on the said Land against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicle, smoke, and such other hazards, casualties, and contingencies as Mortgagee may designate, including but without limitation, war risks (as, when and to the extent insurance against war risks is obtainable from the United States of America or any agency

thereof). If the Premises are located in a designated Flood Plain, the Mortgagor is required to insure against such hazard.

All Policies of insurance required hereunder shall be in such form, companies, and amounts as Mortgagee may accept, and shall contain the Ohio standard or other mortgagee clause acceptable to the Mortgagee, with loss payable to Mortgagor and Mortgagee as their interest may appear. Mortgagor will promptly pay when due any premiums on any policy or policies of insurance required hereunder, and will deliver to Mortgagee renewals of such policy or policies at least ten (10) days prior to the expiration date(s) thereof; the said policies and renewals to be marked "paid" by the issuing company or agent. Upon Mortgagor's failure to comply with the requirement of this paragraph, Mortgagee may, in its discretion, effect any insurance required hereunder and for the premiums due therefore, and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the rate of eight (8) percent per annum and shall be secured by this Mortgage. In addition, advances or reimbursements made, with respect to the Mortgaged premises, for the payment of taxes, assessments, insurance premiums, or costs incurred for the protection of the mortgaged premises.

In the event of any loss or damage, Mortgagor will give prompt notice thereof to Mortgagee. All proceeds of insurance, in the event of such loss or damage, shall be payable jointly to the Mortgagor, its successors and assigns, and the Mortgagee. All funds will be utilized by Mortgagee to reimburse the Mortgagor to the extent necessary to restore the Premises to substantially the same condition as the Premises existed prior to the loss or damage.

#### Payment of Taxes and Other Charges

1.5 Mortgagor shall pay all real estate taxes, water and sewer rents, other similar claims and liens assessed or which may be assessed against the Premises or any part thereof, without any deduction, defalcation, or abatement, not later than ten (10) days before the date on which such taxes, water and sewer rents, claims and liens commence to bear interest or penalties, and not later than such dates, shall produce to Mortgagee receipts for the payment thereof in full and shall pay every other tax, assessment, claim, lien, or encumbrance which may at any time be or become a lien upon the Premises prior to the lien of the Mortgage; provided, however, that if Mortgagor shall in good faith, and by proper legal action, contest any such taxes, claims, liens, encumbrances, or other charges or the validity thereof, and shall have established on its books, or by deposit of cash with Mortgagee (as Mortgagee may elect) a reserve for the payment thereof in such amount as Mortgagee may require, then Mortgagor shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and as long as such contest operates to prevent collection, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagor.

#### Security Agreement

1.6 This Mortgage creates a security interest in the property included in Premises and constitutes a security agreement under the Uniform Commercial Code. Mortgagor shall execute, file and re-file such financing statements, or other security agreements as Mortgagee shall require from time to time with respect to property included in Premises.

### Condemnation and Arbitration

1.7 If any part of the Premises but less than all are taken or acquired, either temporarily or permanently, by any condemnation proceeding or the right of eminent domain, any award or payment received by the Mortgagor shall be made payable to the Mortgagee. Such payment or award shall be first utilized to restore or repair any damage to the Premises occasioned by said taking. Thereafter, the Mortgagee shall retain that proportion of the award or payment that the award or payment shall bear to the sum of \$( . ).

However, if Mortgagee determines that the monies will be used for approved behavioral health services, then the remaining portion of any payment or award may be paid to the Mortgagor by the Mortgagee; otherwise, it may be retained by Mortgagee free and clear of all claims of Mortgagor.

In the event that all of the Premises are so taken or acquired by any condemnation proceedings or by the right of eminent domain, any award or payment received by the Mortgagor shall be paid to the Mortgagee for application against the then existing balance and any remaining portion of the award or payment shall be retained by the Mortgagor.

### Compliance with Ordinances

1.8 Mortgagor shall comply with any and all municipal ordinances, statues, rules, regulations or any other law affecting the premises within 30 days after notice thereof.

### Use of Facility

1.9 Mortgagor shall use the facility to be constructed under this Mortgage exclusively for behavioral health services for the term of this Mortgage and Mortgagee has the authority to determine whether such services are acceptable under this Mortgage.

Mortgagee will not unreasonably determine that such services are unacceptable under this Mortgage.

### Terms of the Mortgage

1.10 The term of this Mortgage shall be thirty (30) years, commencing on the effective date of this Mortgage, and that in the event the use of the facilities under this Mortgage is changed prior to the expiration of thirty (30) years to a use other than the provision of approved behavioral health services as determined by the Mortgagee, Mortgagor will pay to the Mortgagee an amount equal to \$ . , minus one three hundred sixtieth (1/360<sup>th</sup>) per month in which the site and project were used for the behavioral health services as approved by Department to the total term of this Mortgage which is thirty (30) years.

### Article II Default and Breach

2.1 The following shall constitute events of default hereunder,

- (a) The failure of the Mortgagor to pay any sum required to be paid in the Note or in this Mortgage when the same is payable.
- (b) The failure of the Mortgagor to perform any covenant or agreement in the Note or in this Mortgage.
- (c) Any assignment for the benefit of Mortgagor's creditors, or other proceedings intended to liquidate, reorganize, or rehabilitate Mortgagor's estate, or Mortgagor's becoming insolvent within the meaning of the federal bankruptcy law, or the rendering of any judgment or execution or the appointment of a receiver.
- (d) The occurrence of any event of default as defined in the Note or Contract.
- (e) The mortgaging or encumbering of the premises subsequent to this Mortgage, without the express written permission of the Mortgagee, voluntarily or involuntarily.
- (f) The changing of the use of the Premises by the Mortgagor prior to thirty (30) years from the effective date of this Mortgage to a use other than providing approved behavioral health services as determined by Mortgagee.
- (g) The happening or occurrence of any event or act which in any manner violates the purpose and/or implementation of this Mortgage, legal or otherwise, or which jeopardizes or otherwise lessens the value of the security provided for herein with or without fault on the Mortgagor's part.
- (h) In the event that the need for the original use of the mortgaged premises no longer exists, the failure of the Mortgagee and Mortgagor to come to a mutual agreement on a use similar to the original use of the mortgaged premises or a new use for the mortgaged premises.

#### Remedies for Default

2.2 Upon happening of any one or more of said events of default, the entire unpaid balance of the principal, and all other sums and/or reimbursements secured by the Mortgage shall, at the option of the Mortgagee, become immediately due and payable without notice or demand, and in any such event of default, Mortgagee may forthwith:

- (a) Institute an action of Mortgage foreclosure, or take such other action as the law may allow, at law or in equity, for the enforcement thereof is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire unpaid balance of said sum, together with all other sums and/or reimbursements secured by this Mortgage, all costs of suit, and costs of Sheriffs sale of the Premises (which Premises may be sold in one parcel or in such parcels, manner, or order as the Mortgagee shall elect).

Possession and receivership

- (b) Enter into possession of the Premises, with or without legal action, lease the same; collect all rents and profits therefrom and, after deducting all costs of collection and administration expense, apply the net rents and profits to the payment of taxes, waste and sewer rents, charges and claims, insurance premiums, and all other carrying charges (including but not limited to agents' receivers) and to the maintenance, repair or restoration of the Premises, or on account and in reduction of the principal hereby secured, in such order and amounts as Mortgagee may elect; and have a receiver appointed to enter into possession of the Premises, collect the rents and profits therefrom, and apply the same as the court may direct. Mortgagee shall be liable to account only for rents and profits actually received by Mortgagee. For such purposes Mortgagor hereby authorizes any attorney of any court of record to appear for Mortgagor to sign an agreement for entering an amicable action of ejectment for possession of the Premises, and to confess judgment therein against Mortgagor in favor of Mortgagee, whereupon a writ may forthwith issue for the immediate possession of the Premises, without any prior writ or proceeding whatsoever; and for so doing this Mortgage or a copy hereof verified by affidavit, shall be sufficient warrant.

Possession and Use

- (c) Enter into possession of the Premises, with or without legal action, and use said Premises for approved behavioral health services as determined by the mortgagee. The Mortgagee may elect to take a fee simple absolute title in the Premises of which Mortgagor shall deliver to Mortgagee upon demand. Should the Mortgagee so elect, the debt secured by this Mortgage shall be cancelled upon delivery of title and the Mortgagor shall not be entitled to any monies whatsoever that might be attributable to its equity in the Premises. Thirty days after demand of title, this Mortgage deed may be used by Mortgagee to transfer title in the Premises to the Mortgagee if not otherwise transferred.

Remedy for Breach

2.3 If Mortgagor fails to pay any tax, claim, lien or encumbrance which shall be or become prior in lien to this Mortgage, or to pay any insurance premium as aforesaid, or to keep the Premises in repair, as aforesaid, or commits or permits waste, then Mortgagee, at its option, may pay said claim, lien, encumbrance, tax assessment, or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems available to prevent or cure such waste, or may appear in any action or proceeding with respect to any of the foregoing and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of said purposes Mortgagee may advance such sums of money as it deems necessary. Mortgagor will pay to Mortgagee, immediately and without demand, all sums of money advanced by Mortgagee pursuant to this paragraph, and all such sums shall be secured hereby.

Assignment of Leases and Rents

2.4 As further security for payments of the indebtedness and performance of the obligations, covenants, and agreements secured hereby. Mortgagor hereby assigns to Mortgagee all leases already in existence and to be created in the future, together with all rents to become due under existing or future leases. This assignment, however, shall be operative only in the event of occurrence of a default hereunder, or under the note or other instrument collateral hereto, remaining uncured at the expiration of the grace period, if any, provided above in respect to such default; and in any such case Mortgagor hereby confers on Mortgagee the authority to act as agent, or to appoint a third person, to act as agent of Mortgagor, with power to take possession of, and collect all rents arising from Premises, and apply such rents, at the option of Mortgagee, to the payment of the Mortgage debt, taxes, costs of maintenance, repairs, expenses incident to managing, and other expenses, in such order of priority as Mortgagee may determine, and to turn any balance remaining over to Mortgagor; but such collection of rents shall not operate as an affirmation of the tenant or lease in the event Mortgagor's title to the Premises should be acquired by Mortgagee. Mortgagee shall not be liable to account for rents and profits actually received by Mortgagee when these are applied to maintain the premises as a behavioral health facility.

In exercising any of the powers contained in this paragraph, Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Premises and used by Mortgagor in the rental or leasing thereof or any part thereof.

Liability

2.5 In the event of a default under this Mortgage or under the Note which it secures, the holders of such Note will look only to the property secured by this Mortgage to enforce the payment of the indebtedness evidenced by such Note or by this Mortgage. However, the foregoing notwithstanding, in the event that the default is negligent, reckless, intentional, or tortious, and jeopardizes or otherwise lessens the security herein, as determined by Mortgagee, the Mortgagee shall not be bound by the aforesaid restriction.

Article III Satisfaction and Release Satisfaction of Mortgage

3.1 If Mortgagor complies with the provisions of this mortgage and pays to Mortgagee said principal sum, and all other sums payable by Mortgagor to Mortgagee as are hereby secured, in accordance with the provisions of the Note and in the manner and at the times therein set forth, without deduction, fraud, or delay, then and from thenceforth this Mortgage, and the estate hereby granted, shall cease and become void, anything hereinbefore contained to the contrary notwithstanding.

**Transfer of Title of Further Encumbrance**

3.2 Any Transfer by sale, gift, devise, operation of law, or otherwise of the fee title interest in all or any portion of the Mortgage of Premises or any other property secured hereunder shall have the same consequences as an Event of Default respecting the indebtedness secured hereby, and upon such transfer, Mortgagee, without prior notice or the elapse of any period of grace or the right to cure shall have the right to declare all sums secured hereby immediately due and payable, and upon failure by Mortgagor to make such payment within thirty (30) days of written demand therefore, Mortgagee shall have the right to exercise all remedies provided in the Note, this Mortgage, or otherwise at law without limitation.

**Article IV Miscellaneous Notice**

4.1 A notice which is mailed by certified mail to Mortgagor or to the person or persons who are then the owner or owners of the Premises at the Premises, or at such other address as Mortgagor shall designate to Mortgagee in writing, shall be sufficient notice when required under this Mortgage.

**Waiver of Defenses and Certain Notices**

4.2 Mortgagor hereby waives and releases: (a) all errors, defects, and imperfections in any proceedings instituted by Mortgagee under this Mortgage; (b) all benefit that might accrue to Mortgagor by virtue of any present or future laws exempting the Premises, or any part of the proceeds arising from any sale thereof, from attachment, levy, or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment; and (c) all notices not herein elsewhere specifically required, of Mortgagor's default or of Mortgagees exercise or election to exercise, any option under this Mortgage.

**Cumulative Rights and Remedies**

4.3 The rights and remedies of Mortgagee as provided herein, or in said Note, and the warrant therein contained, shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Mortgagee, and may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

4.4 This Mortgage shall be construed under and in accordance with the laws of the State of Ohio, and all obligations of the parties created hereunder are performable in \_\_\_\_\_ County, Ohio.

Parties Bound

4.5 This Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Mortgage.

Severability

4.6 In case any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Mortgage shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Time of Essence

4.7 Time is of the essence in this Mortgage.

Construction

4.8 The words "Mortgagor" and "Mortgagee" include singular, or plural, individual or corporation, and the respective heirs, executors, administrators, successors, and assigns of Mortgagor and Mortgagee, as the case may be. The use of any gender applies to all genders. If more than one party is named as Maker, the obligation hereunder of each such party is joint and several.

Captions

4.9 The captions herein are inserted only for convenience of reference and in no way define, limit or describe the scope of intent of this Mortgage or any particular paragraph or section hereof, nor the proper construction hereof.

Future Reimbursements

4.10 This Mortgage is given for the purpose of securing reimbursements and future reimbursements which Mortgagee is or may be obligated to make to Mortgagor pursuant to and subject to the terms and provisions of a certain contract between Mortgagor and Mortgagee effective \_\_\_\_\_, 20\_\_\_\_ which contract is hereby incorporated herein and made a part hereof by this reference. The parties hereto intend that this Mortgage shall secure reimbursements and future reimbursements made after the Mortgage is delivered to the recorder for record whether such reimbursements are made pursuant to an obligation of Mortgagee or otherwise. The parties also intend that this Mortgage secure unpaid advances in the manner and according to the conditions provided for herein. The parties hereto agree that Mortgagee is under no obligation, legal or otherwise, to make any disbursement directly to any person or parties other than Mortgagor in the form of reimbursement pursuant to the certain contract between Mortgagor and Mortgagee. The reimbursements made by Mortgagee to Mortgagor will be evidenced by not or notes from said Mortgagor. The maximum amount of unpaid reimbursement which may be outstanding at any one time is \$ \_\_\_\_\_ .

Nothing in this Mortgage or any other document related hereto is intended to confer upon any person other than the parties hereto and their successors any rights or remedies by reason of this Mortgage or any related document.

In Witness Whereof, Mortgagor has executed this Mortgage and has caused its corporate name to be subscribed hereto by \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, \_\_\_\_\_ thereunto duly authorized by resolution of its Board of Trustees, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Witness: \_\_\_\_\_ By: \_\_\_\_\_

Print Name:

Title:

Witness: \_\_\_\_\_ By: \_\_\_\_\_

Print Name:

Title:

**Acknowledgment**

State of Ohio

County of \_\_\_\_\_

Be it Remembered that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me the subscribed, a Notary Public in and for said County personally came \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_ and acknowledged the signing of the foregoing Mortgage to be their and its voluntary act and deed, individually and corporately pursuant to authority of its Board of Trustees.

In Testimony Thereof, I have hereunto subscribed my name and affixed my seal on this day and year aforesaid.

Notary Public This instrument was prepared by:

The Ohio Department of Mental Health and Addiction Services Columbus, OH 43215-3430

002/Mortgage

Exhibit A

Project: MH- \_\_\_\_\_  
Address \_\_\_\_\_, City \_\_\_\_\_, OH  
\$ \_\_\_\_\_ Amount \_\_\_\_\_

**Note**

**For Value Received,**

**The Undersigned,**

\_\_\_\_\_ (hereinafter called "Maker") promises to pay to the order of the Ohio Department of Mental Health and Addiction Services (OhioMHAS) (hereinafter called "Payee") the sum of \$ \_\_\_\_\_ .00 in lawful money of the United States of America at the principal office of payee in Columbus, Ohio, or other place as the holder hereof may designate to Maker in writing, being payable in the manner and at the times hereinafter set forth.

**Security for Note**

1. The payment of this Note is secured by a Mortgage Deed (hereinafter called "Mortgage") of even date herewith, said Mortgage being a lien on the real estate, fixtures, and property described therein and the terms, covenants and stipulations as contained in said Mortgage are hereby made a part hereof to the same extent and effect as if the same were fully set forth herein.

Further, the certain property secured by the Mortgage of even date given by the Maker to Payee are located at \_\_\_\_\_, in \_\_\_\_\_, Ohio, and is described more fully in said Mortgage of even date.

**Payment of Principal**

2. Payment of Principal is to be forgiven by Payee in 360 equal monthly installments beginning on the first day of \_\_\_\_\_, 20\_\_\_\_ and forgivable upon the first day of each month thereafter until and including the first day of \_\_\_\_\_, 20\_\_\_\_.

**Events of Default**

3. The following shall constitute Events of Default hereunder, upon the happening of any one or more of which the entire unpaid balance of the principal, and all other sums secured by the Mortgage shall, at the option of Payee, become immediately due and payable without notice:

- (a) The occurrence of any Event of Default as defined in this Note or the Mortgage of even date.
- (b) The failure to perform any of the acts required under the Contract entered into between the Maker and Payee on \_\_\_\_\_, 20\_\_\_\_.

The terms, covenants, stipulations as contained in the Contract and mortgage are hereby made a part hereof to the same extent and effect as if the same were fully set forth herein.

4. The words “Maker” and “Payee” include singular or plural, individual or corporation, and the respective heirs, executors, administrators, and assigns of Maker or Payee, as the case may be. The use of any gender applies to all genders. If more than one party is named as Maker, the obligation hereunder of each such party is joint and several.

Waivers

5. Maker and any endorsers hereof severally waive demand, notice, and protest and any defense by reason of extension of time for payment or other indulgence granted by Payee or any subsequent holder hereof.

6. In the event of any default in any of the conditions or stipulations of the Mortgage or Security Agreement securing the same, then at the option of the Payee of this Note, the entire amount of principal remaining unpaid shall at once become payable without notice, and the undersigned hereby authorize any attorney-at-law to appear in any court of record in the State of Ohio or other state or territory of the United States after the above obligation becomes due, and waives the issuing and serving of process and confesses a judgment against any or all of the undersigned in favor of the state of Ohio, or any holder of this Note, for the amount then appearing due, together with costs of suit; and thereupon to release all error and waive all right of appeal and stay of execution.

It is intended by the Parties hereto that this Note is not to be construed as a consumer loan or transaction.

**Warning: By signing this paper you give up your right to notice and court trial. If you do not pay on time a court judgment may be taken against you without your prior knowledge and the powers of a court can be used to collect from you or your employer regardless of any claims you may have against the creditor whether for returned goods, faulty goods, failure on his part to comply with the agreement or any other cause.**

In Witness Whereof, Maker has executed this Note and has caused its corporate name to be subscribed hereto by \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Maker:

By:

By:

**Acknowledgement**

State of Ohio County of \_\_\_\_\_

Be it remembered, that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the subscribed, a Notary Public in and for said county, personally came \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_ and

acknowledged the signing of the foregoing note to be their and its voluntary act and deed, individually and corporately pursuant to authority of its board of trustees.

In Testimony thereof, I have hereunto subscribed my name and affixed my seal on this day and \_\_\_\_\_ year aforesaid.

\_\_\_\_\_  
Notary Public

NOTE  
Prepared by: Ohio Department of Mental Health and Addiction Services  
Bureau of Capital Planning and Management  
(Date)

**Instructions for Submitting Community Reimbursement Request**

- I. Complete the attached “Community Reimbursement Submission Form” listing the following:
  - A. Vendor/Contractor
  - B. Description of Expense (be specific);
  - C. Amount Paid by Applicant;
  - D. Amount of Reimbursement Requested

(Note: With regards to construction/renovation expenses that OhioMHAS is participating in, only those prime contractors which appear on the Participation Letter and have been publicly bid are acceptable for reimbursement).

After you have listed all the items to be reimbursed, total columns 3 & 4. In most cases, the amounts in columns 3 & 4 should be the same on each line and when summed. If any of the amounts in column 3 are different than column 4, write a short justification explaining the difference.

- II. You are now ready to assemble your packets according to Type of Expense. Most expenses will fall into one of the categories listed below. Beside each category are the documents required to be submitted with the Reimbursement Form.

<u><b>Type of Expense</b></u>	<u><b>Documentation Required</b></u>
Site Purchase	Settlement Statement (do not list any items separately that are on the Statement. These expenses would have been paid by the Title Co. or Bank).
Construction Contractor	Pay requests or Invoice from each prime Contractor; Cancelled check.
Moveable Equipment	Receiving Report; Invoice; Cancelled Check.
Miscellaneous Expenses	Invoice; Cancelled Check

The copy of the cancelled check must show both sides. Do not put more than one cancelled check on a sheet of paper. If you cannot obtain a copy of the cancelled check, except for the site purchase, a copy of one of the following will be acceptable:

1. Cashier’s check
2. Certified check
3. Money order
4. Photocopy of the front of check and a notarized statement on recipient’s (contractor’s) letterhead stating that the check has been received

- III. Documents for each type of expense listed in “II” above form a packet. Put the packets in the order as to type of expense as shown in “II”.
- IV. Enclose a cover letter using agency letterhead with your request indicating the project number (MH-XXXX) and the amount you are requesting for reimbursement.
- V. Remember, justify why the amount of a check does not match the amount to be reimbursed and/or the amount of an invoice.
- VI. Send reimbursements to your specific PM at:

Bureau of Capital Planning and Management  
Ohio Department of Mental Health & Addiction Services (OhioMHAS)  
30 East Broad Street, Room 1160  
Columbus, OH 43215-3430



**Prevailing Wages**

In order to determine the applicability of the exemptions from state residential prevailing wage requirements for housing projects financed in whole or part with state funds, please contact:

Ohio Department of Commerce  
Division of Labor and Worker Safety  
Wage and Hour Bureau  
50 West Broad Street, 28<sup>th</sup> Floor  
Columbus, Ohio 43215  
phone (614) 644-2450  
fax (614) 728-8639

## Equipment Procedures Community Behavioral Health Facilities

### Scope

The State of Ohio, through the Department of Mental Health and Addiction Services, provides funding assistance for the construction, and/or renovation of certain community behavioral health facilities. This procedure applies to the initial purchase of equipment, required for the operation of those facilities.

### Objectives

The objectives of this procedure are to insure the following:

1. Only equipment deemed suitable for funding with capital appropriations, and necessary for the facility's operation, is to be purchased.
2. Appropriate scheduling is to be implemented, to ensure that all equipment will be in place, and operational, prior to project close-out.

### Definition

For use in this procedure, equipment is defined as moveable equipment, together with fixed equipment, that is separate and exclusive of all equipment that falls under a construction contract. It does not include: a) Items whose useful life is less than five years, b) Items whose cost is less than one hundred (\$100) dollars, c) Items that are relatively small in size/expense, even though they can have a life greater than five years.

### Exceptions

Exceptions to this procedure must be approved by the Bureau of Capital Planning and Management, Ohio Department of Mental Health and Addiction Services.

### Procedures

Sufficient time should be allotted for documentation review, the bidding process, and lead-time for equipment delivery. Proper planning is necessary to assure that all equipment will be on-site, and ready for occupancy.

1. Lists of proposed equipment:
  - a) Applicants will list proposed equipment on the equipment form provided (Exhibit 1).
  - b) The descriptions and quantities for the items proposed are to be shown separately for each room or space; manufactures' names and catalog numbers must be included. A photograph of each item should be provided whenever possible. Estimated unit costs and extensions for quantities must be shown for items to be purchased. Equipment already owned by the Applicant, should be listed, the room or space where utilized indicated, and the total cost column should show an asterisk, indicating existing equipment.

- c) An equipment certificate (see exhibit 2) must be completed/signed by a responsible official of the agency, certifying that the equipment is necessary for the programs operation.
- d) The “Equipment” form and “Equipment Certificate” must be submitted for approval to the Ohio Department of Mental Health and Addiction Services, Bureau of Capital Planning and Management, 30 East Broad Street, Suite 1160, Columbus, Ohio 43215.
- e) Equipment items not eligible for state participation are listed under Exhibit #3.

2. Competitive bidding procedure:

- a) This procedure must comply with the requirements of the local government, which holds jurisdiction over their area.
- b) Once the proposed equipment list has been submitted and approved by the Bureau of Capital Planning and Management, the agency will draw up specifications for the bidding process. A manufacturer’s name and catalog number (if applicable) for each item to be bid on. Equipment should be grouped into the following, or similar logical groups:

Group I	Classroom Furniture
Group II	Office Furniture
Group III	Residential Furniture
Group IV	Miscellaneous Furniture
Group V	Appliances
Group VI	Vocational Equipment
Group VII	Office Equipment
Group VIII	Audio-Visual Equipment
Group IX	Athletic Equipment
Group X	Maintenance Equipment

Items can be awarded for purchase to the lowest bidders by group, or by item; the bid documents should say which of these methods will be used. Please note that the bidders may submit bids on alternative products that are deemed an “equal” to an item listed in the specifications. A copy of the bid specifications is to be sent to the Bureau of Capital Planning and Management, prior to bid advertising.

- c) All items must be bid in accordance with county and local bidding requirements. No bids are required for items purchased from Ohio Penal Industries (OPI). Advertisement must be in the form of the “Notice to Bidders” (see attached), and must be run in a newspaper of general circulation, within the vicinity of the project, at least three (3) times, but not more than once a week. A copy of the “proof of advertising” (provided by the newspaper) must be sent to the Bureau of Capital Planning and Management.
- d) The bid opening is to be held no less than ten (10) days after the last advertisement runs. Bids are to be received, opened, and tabulated. Once it is determined that the bids

are acceptable, the agency must send the following items to the Bureau of Capital Planning and Management for approval:

- 1) a copy of the bid tabulation sheet
- 2) a copy of low acceptable bid proposals
- 3) a recommendation letter of bid awards, from the agency

Any recommendation for award to other than the lowest bidder must be suitably justified. If no bids are received, the agency may obtain three (3) letter head bids from local manufacturers, or dealers. No letterhead bid may cover items costing more than \$5,000.00. Items or groups that cost more than \$5,000.00 must be advertised again.

- e) If the Bureau of Capital Planning and Management approves the agency's recommended bids, the agency will proceed with issuing contracts to the various bidders.

Page \_\_\_\_\_

Date \_\_\_\_\_

Equipment

No. \_\_\_\_\_

Project Name \_\_\_\_\_

Location \_\_\_\_\_

Room No./Title	Quantity	Description	Unit Cost	Total Cost

Note: Without entering its cost, list and identify by asterisk (\*) any item which is already owned by the Applicant.

**Appendix J**

Exhibit #1

Page \_\_\_\_\_

Equipment

Date \_\_\_\_\_

Project Name \_\_\_\_\_ No. \_\_\_\_\_

Location \_\_\_\_\_

Room No./Title	Quantity	Description	Unit Cost	Total Cost
105-Classroom	1	Desk, Single Pedestal, 30" x 48" Virco #545	250.00	250.00
	1	Chair, Swivel, Arm	125.00	125.00
	10	Desk, Student, 18" x 24" Virco #3870	50.00	500.00
	10	Chair, Stacking Steelcase # 472-410C	40.00	400.00
		Total		1275.00
125-Multipurpose	1	Piano & Bench		*
	100	Chair, folding Virco #190	35.00	3500.00
	2	Chair Truck	80.00	160.00
	10	Table, Folding, 30" x 72" Virco #6013	100.00	1000.00
	1	Table Truck Virco #TT-6	80.00	80.00
		Total		4740.00

Note: Without entering its cost, list and identify by asterisk (\*) any item which is already owned by the Applicant.

Exhibit #2

Equipment Certificate

Project Name \_\_\_\_\_ No. \_\_\_\_\_

Location \_\_\_\_\_

I hereby certify that the attached lists include only equipment items and quantities which are necessary for the functioning of the facility as planned.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Name of Applicant

Equipment Certificate

Project Name \_\_\_\_\_ No. \_\_\_\_\_

Location \_\_\_\_\_

I hereby certify that the attached lists include only equipment items and quantities which are necessary for the functioning of the facility as planned.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit #3

Specific types of items not considered appropriate for state funding participation:

- A. Bed linen and pillows (sheets, bedspreads, pillowcases, etc.)
- B. Table Linens (tablecloths, napkins etc.)
- C. Tableware (silverware, china ware, etc.)
- D. Kitchen utensils (pots, pans, etc.,)
- E. Small kitchen appliances (cutlery, mixer, toaster, etc.)
- F. Small items of cleaning equipment (broom, mop, waste basket, ashtrays, etc.)
- G. Small items of recreational equipment (balls, bats, nets, climbing rope, etc.)
- H. Decorative items (planters, paintings, area rugs, wall hangings, etc.)
- I. Desk accessories (desk pads, chair mats, letter baskets, etc.)
- J. Office machines (calculators, dictating machines, copiers, etc.)
- K. Telephone systems, security video systems, closed circuit TV equipment
- L. Computers

**Bidding Documents**

1. Notice to Bidders
2. Instructions to Bidders
3. Form of Proposal
4. General Conditions
5. Specifications

Group I	Classroom Furniture
Group II	Office Furniture
Group III	Residential Furniture
Group IV	Miscellaneous Furniture
Group V	Appliances
Group VI	Vocational Equipment
Group VII	Office Equipment
Group VIII	Audio-Visual Equipment
Group IX	Athletic Equipment
Group X	Maintenance Equipment

Notice to Bidders

Sealed bids will be received by the \_\_\_\_\_ at its office in  
(owner)

- \_\_\_\_\_ County, Ohio, until \_\_\_\_\_  
(Time and Date of Opening)

And at that time opened as provided by law, for the purchase of furniture and equipment to be installed in the

\_\_\_\_\_  
(name and address of project)

In accordance with the equipment list and specifications dated \_\_\_\_\_, and

At the office of \_\_\_\_\_  
(name and address of architect)

Copies of said specifications may be obtained from the office of the \_\_\_\_\_

\_\_\_\_\_  
(owner and/or architect)

The owner reserves the right to reject any or all bids in whole or in part, to waive any informalities in the bids received, or accept any bid which it deems favorable. All bids must be made on form of proposal included with specifications.

Acceptance of any contracts resulting from this invitation to bid signifies full compliance with Title VI of the civil rights act of 1964 as amended March, 1972, presidential executive order 11246, and governor's executive order of January 27, 1972.

## Instructions to Bidders

1. Note:
  - a) Bidder shall inspect the specifications
  - b) All proposals, fully executed, must be submitted in duplicate
  
2. Proposals
  - a) Proposals shall be submitted in the attached “Form of Proposal” format. The wording of the “Form of Proposal” shall be used without alteration or addition. Any change in the wording will cause a proposal to be rejected as not complying with the law.
  - b) The bidder must sign both copies of each proposal.
  - c) No bidder may withdraw his bid for a period of sixty (60) days after the date of opening bids. If not accepted within such period, such bid may be withdrawn without prejudice any time thereafter.
  - d) If, in the opinion of the Owner and the Director of Mental Health and Addiction Services or his delegated representative, the acceptance of the lowest bid is not in the best interest of all concerned, the Owner may accept, with the concurrence of the Director or his delegated representative, another proposal so opened, or reject all proposals and advertise for other bids. Such advertising shall be for such time, in such form, and in such newspapers as may be prescribed in applicable sections of the Ohio Revised Code.
  - e) Bidders may be required to furnish satisfactory evidence of their experience and ability to execute work of like character to that specified.
  
3. Bonds of Successful Bidders
  - a) Each successful bidder who is awarded items costing over \$10,000.00 must deliver to the Owner an executed Performance Bond in an amount equal to one hundred percent (100%) of the accepted bid as security for the faithful performance of the contract. Bond shall be provided in duplicate. The sureties of all bonds shall be such surety company(ies) as are approved by the Owner and Director of Mental Health and Addiction Services and as are authorized to transact business in the state of Ohio. The bonds must be approved by the Owner and the Director of Mental Health or designated representatives prior to the execution of the formal contract.
  - b) All forms may be used for required bonds.
  - c) All bonds must be signed by an authorized agent of the acceptable surety bonding company and by the bidder (affix corporate seal(s) to all copies).
  - d) Surety bonding company bonds must be supported by credentials showing power of attorney of the insurance agent, and a certificate showing the legal right of the bonding company to do business in the State of Ohio, and a financial statement of the surety. These supporting credentials need only to be furnished by the successful bidder on award of contract.

4. Standards and Substitutions

- a) Those articles named in the specifications to denote the kind and quality required, whether or not the words “or equal” are used, shall be known as “Standards” and all proposals shall be based on same.
- b) Bidders desiring consideration for the use of equipment not named in the specifications may submit proposal for the substitution of same for “Standards” as specified, listing for each proposed change the following: (1) the “Standard” specified, (2) the substitution, and (3) the change in bid price (or no change).
- c) Substitution shall not affect the determining of lowest bid.
- d) Bidders submitting bids containing substitutes and/or alternates shall submit with bid detailed specifications and supportive literature for evaluation by the Owner and the Department of Mental Health and Addiction Services.

5. Opening of Bids

Bids shall be opened and read publicly at the time and place named in the “Advertisement for Bids”. The time for opening bids shall be extended one (1) week with no further advertising when an Addendum to the plans or specifications is issued within seven (7) calendar days of the scheduled bid opening, excluding Saturdays, Sundays, and legal holidays.

6. Delivery

Equipment shall be delivered to the \_ (name of project) when requested by the Owner. All deliveries and assemblies shall be completed within \_ days of signing of the contract.

7. Non-Compliance

Failure to comply with the foregoing requirements may cause the proposal to be rejected as not conforming to statute.

Note: The above represents minimum requirements for inclusion in “Instructions to Bidders” and does not limit inclusion of additional or amplified instructions if deemed appropriate by the architect for clarity or to cover requirements peculiar to this project.

**Form of Proposal**

The wording of the proposal shall be retained throughout without alterations or additions. Any change in the wording may cause the proposal to be rejected as not complying with the law. The attention of the bidder is called to paragraph 4 of the "Instructions to Bidders" regarding standards and substitutions.

Proposal

Submitted by:

- \_\_\_\_\_, \_\_\_\_\_ 20\_\_  
(owner) (date)

Having read the specifications and examined the Equipment List for project entitled:

\_\_\_\_\_  
(title of project)

Prepared by: \_ \_\_\_\_\_  
(name and address of owner/architect)

For the \_\_\_\_\_ for the  
(name and address of owner)

Furnishing and installation of furniture and equipment for said project at \_\_\_\_\_,

Ohio, and having also received, read, and taken into account Addenda No. \_

\_\_\_\_\_  
\_\_\_\_\_  
(provide minimum of two lines for listing addenda)

and likewise having inspected the site of and the conditions affecting and governing the construction of said project, the undersigned hereby proposes to furnish all material and to perform all labor as specified and described in the said specifications and as shown in the said drawings for said work, for the following sums:

Form of Proposal

Submit in Duplicate

Group

(Type of Equipment)

<b><u>Item</u></b>	<b><u>Unit Price</u></b>	<b><u>Quantity</u></b>	<b><u>Total Price</u></b>	<b><u>Manufacturer's Name and Catalog No.</u></b>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Total Price** \_\_\_\_\_

Group

(Type of Equipment)

<b><u>Item</u></b>	<b><u>Unit Price</u></b>	<b><u>Quantity</u></b>	<b><u>Total Price</u></b>	<b><u>Manufacturer's Name and Catalog No.</u></b>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Total Price** \_\_\_\_\_

Group (Type of Equipment)

<b>Item</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Total Price</b>	<b>Manufacturer's Name and Catalog No.</b>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Total Price** \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

Additional items and/or groups of items should be added or substituted as necessary, appropriately identified, numbered, and presented in format as indicated above.

Note A: Time of Completion  
It is understood and agreed that work embodied in this contract shall be completed within \_\_\_\_\_ consecutive calendar day following authorization to proceed with the work unless an extension of time is granted by the owner.

Note B: Bidder is cautioned to bid on the "Standards" specified or request authority for substitution of equipment, if desired, in accordance with Paragraph 4 of "Instructions to Bidders".

General Conditions

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Moveable Equipment

**Table of Contents**

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General Conditions  
Moveable Equipment

1. Intent

It is the intent of these General Conditions to cover the governing conditions and factors applicable in whole or in part to this Contract or Contracts. These conditions shall govern except where modified or excepted in “Special Conditions” or elsewhere in the specifications.

2. Contract Documents

Contract documents mean collectively all of the various portions of this contract, to wit: Notice to Bidders, Instructions to Bidders, Contract, Bonds, General Conditions, Special conditions, and Specifications.

3. Location and Extent of Work

The location and extent of work shall be shown or defined in the specifications covering the Contract or Contracts involved.

4. Definitions

Wherever the words defined in the paragraph, or pronouns used in their stead, occur in this Contract, they shall have the meaning herein given: The following listed terms herein used, refer to and designate: State and Director State of Ohio acting by and through the Director of Mental Health and Addiction Services or designated representatives, hereinafter referred to as the “Director”.

Owner \_\_\_\_\_ County \_\_\_\_\_  
(Owner’s official designation should be indicated)

Contractor \_\_\_\_\_ The word “Contractor” refers to the person or organization having a direct contract with the owner, identified as such in the agreement or purchase authorization.

Equipment	Equipment as specified in the contract documents.
Approved Equal	Approved by the owner and the Department of Mental Health and Addiction Services Equipment Planner.
Proposal	The form in which is set forth the lump sum of each group or combination of groups of equipment called for and unit prices (if any) called for.
Addendum	Letter or form clarifying, amending or interpreting the contract documents issued before the receipt of bids.

5. Basis of Contracts

- a) Contracts will be awarded on the basis of the lowest acceptable bid on any group or alternate groups or any item or items within a group, if such award most benefits the owner. At Owner's request for separate proposals for each group of equipment, bidders may submit proposals for one group, more than one, or all groups. Proposals shall include all items in a group.
- b) These specifications and moveable equipment list, together with any modifications of either or both which are furnished to prospective bidders during the advertising period, shall become the basis of the contracts.
- c) The contractor shall provide all items, articles, materials, or operations listed required to be furnished or accomplished by reason of the contract documents, including all labor, materials, equipment, and incidentals required or necessary for their completion.
- d) Should any error or inconsistency be found by the Contractor in the equipment list or specifications, the Contractor, before proceeding with the work, shall call the Owner's attention to same for proper adjustment.

6. Documents Required Prior to Signing Contract

Immediately after bids have been received, are analyzed, and successful bidders have been determined, and prior to signing Contracts, each successful bidder shall furnish to the Owner in duplicate:

- a) A Performance Bond (Paragraph 3, Instructions to Bidders)
- b) Power of Attorney credentials\*

c) Certificate of Compliance issued by the Division of Insurance, showing that the bonding company is licensed to do business in the State of Ohio\*

d) Financial Statement of bonding company\*  
\*to support Performance Bond

e) If the successful bidder is a corporation not incorporated under the laws of the State of Ohio, a Certificate from the Secretary of State showing the right of the successful bidder to do business in the State of Ohio shall be furnished.

f) If the successful bidder is a domestic or foreign corporation, the person signing such Contract for said corporation as agent may be requested to file legal evidence of his authority to do so.

7. Partial Payments and Estimates

All equipment delivered on the site shall be paid for at the rate of ninety percent (90%) of the invoiced value of the equipment, provided the equipment has been inspected and found acceptable by the Owner. The balance shall be paid thirty (30) days after completion of the Contract and acceptance by the Owner.

8. Quality and Owner's Responsibility

a) Unless otherwise specified, all equipment shall be new, and both workmanship and materials shall be of the best quality.

b) The owner will have a duly authorized representative, either at the site or readily available thereto, to facilitate the performance of all duties required of him under these specifications.

9. Guarantee

The contractor shall guarantee all equipment and materials for a period of one (1) year from the date of acceptance by the Owner. Guarantees, if any, extending beyond said one (1) year period shall be specifically provided for in the Contract and may be fulfilled by assignment of the bond or written warranty of the manufacturer.

10. Contractor's Responsibilities

Each contractor shall hold the Owner harmless from all payments for patents, either as royalty or otherwise, in the use of materials, methods, appliances, etc. that he may be in any way involved in or connected with any part of his work. The Contractor shall hold the Owner free and harmless from any injury and damage resulting from the negligent or faulty performance of the contract by the Contractor and shall make good any loss, damage, or injury without loss to Owner.

11. Protection of Equipment

Any equipment delivered to the job and installed shall be protected from damage until acceptance of the work. Equipment items which are damaged shall be replaced. No additional charge will be accepted by the Owner for such replacement of equipment.

12. Completion and Acceptance

All equipment shall be unpacked, assembled (if required) and placed or installed in its proper room or location by the Contractor and all trash cleared from the premises (only if specified by the Owner).

13. Taxes

Equipment purchased will be exempt from the State of Ohio Sales Tax, as provided for in Section 5739.02 of the Revised Code of Ohio, and also from the State of Ohio Use Tax, Section 5741.01.

**Freight Damage and Receiving Guidelines**

The attached “Freight Damage and Receiving Guidelines” has been utilized by our state facilities for many years, and has proved to be essential in processing claims for damaged or missing merchandise.

The guidelines are adaptable to the community facilities, and must be followed as outlined, for the protection of the owner.

Attachment

## Receiving Guidelines

Note: do not sign the freight bill until you have completed those things necessary for your receiving inspection. The only exception will be United Parcel Service (UPS).

When a damage or loss claim is to be filed, it must be filed by you, the consignee, with the carrier. Along this line are the following tips to help you guard yourself in case of freight damage or loss:

1. Verify count as shown on freight bill.
2. Verify that merchandise is yours.
3. Carefully examine cartons for signs of damage.
4. If cartons show signs of damage, insist on opening to inspect contents.
5. If there is damage:
  - a) Have driver so note on all copies of the freight bill and sign.
  - b) Call carrier to report damage and request inspection.
  - c) After calling for inspection, confirm in writing.
  - d) Do not move damaged items from receiving area; keep the entire carton.
  - e) After inspection, file freight claim with carrier.
  - f) Contact Contractor (vendor). Advise him of damage and the necessary replacements required for damaged items, at no additional cost to you.
6. If there is no sign of damage, sign the driver's bill as okay, but open cartons as soon as possible. Remember, you have only fifteen (15) days to request a freight inspection regardless of concealed or known damage. If you find concealed damage, follow steps B, C, D, E, and F in 5 above.
7. When a carrier makes the inspection:
  - a) Have damaged articles and packing materials available for inspection.
  - b) Retain damaged articles and packing container until carrier desires to take possession of merchandise as salvage.
  - c) After inspector completes inspection report, carefully read it before signing.

**Remember: Do not sign the freight bill until all goods have been inspected.**

Architect’s Agreement

Whereas, \_ (applicant) or their designated representatives, hereinafter collectively referred to as “Owner”, desires to plan and construct \_

(type of facility) Hereinafter referred to as “Project” and identified as Project No. MH- , and Whereas, the fixed limit of construction cost as defined in Article 3 shall be \$ , and

Whereas, the state of Ohio, acting through and by the Director, Department of Mental Health and Addiction Services, or designated representatives, hereinafter collectively referred to as “Director”, has agreed to participate in the cost of Project, and

Whereas, the Owner desires to engage the services of the Architect, hereinafter named, in the planning and construction of Project:

Now, therefore, this Agreement, made and entered into this date , by and between the Owner and ,

(architect) , hereinafter referred to as “Architect” witnesseth:

The Architect will abide by all Federal and Ohio statues prohibiting discrimination in employment on the basis of race, religion, color, sex, national origin, age, and handicap. For any such violation, the Architect shall forfeit any payment to become due him and suffer cancellation of this agreement.

Article 1 Architect’s Services

The Architect shall provide professional services for the Project in accordance with the following terms and conditions. The Architect’s Basic Services consist of the five (5) phases described hereafter and includes normal structural, mechanical, plumbing and electrical engineering services.

- 1.1 Architectural Program Phase
1.1.1 The Architect shall consult with the Owner and Director to ascertain the requirements of the Project and shall confirm such requirements to the Owner and Director.
1.1.2 The Architect shall prepare an Architectural Program based on information contained in the Application for State Assistance in Construction, Purchase or Renovation of Community Behavioral Health Facilities.

The submittal shall consist of documents and drawings illustrating the services to be provided, scale and relationship of project components for approval by the Owner and Director. The Architect shall submit two (2) sets to the Owner and two (2) sets to the Director for review. As part of the Review process, the Architect will present the Program documents at an Architectural Program Meeting attended by the Owner and Director.

1.2 Schematic Design Phase (Preliminary Drawings)

1.2.1 The Architect, when authorized by the Owner and Director based upon the approved Architectural Program documents, shall prepare Schematic Design Studies consisting of drawings and other documents illustrating the scale and relationship of Project components for approval by the Owner and Director. The Architect shall submit two (2) sets\* to the Owner and two (2) sets to the Director for review. As part of the review process, the Architect will present the drawings and documents at a Schematic Design meeting attended by the Owner and Director. Immediately thereafter, the Architect shall revise as required and develop documents consisting of drawings and basic specifications to fix and describe the size and character of the entire Project including architectural, structural, mechanical, plumbing and electrical systems, and material and such other essentials as may be appropriate. The Architect shall submit two (2) sets to the Owner and two (2) sets to the director for review and approval.

1.2.2 The Architect shall review with the Owner and Director site use and improvements, selection of materials, building systems and equipment, construction methods and methods of project delivery.

1.2.3 The Architect shall submit for approval by the Owner and Director, a statement of probable construction cost, in the format prescribed, by the Owner and Director, based on estimated construction cost of this contract and on the current related area, volume, or other unit costs.

1.3 Construction Document Phase (Working Drawings)

1.3.1 The Architect, when authorized by the Owner and Director based upon the approved Schematic Design Documents, shall prepare Working Drawings and Specifications for approval by the Owner and Director\*. These documents shall set forth in detail the requirements for the construction of the entire project, including the necessary bidding information and the bidding forms, the conditions of the contract and the form of Agreement between the owner and the Contractor and such additional materials as may be necessary to comply with applicable State, County and/or Local requirements. The Architect shall submit for review by the Owner two (2) sets of Working Drawings, Specifications, and detailed Estimate of Cost prepared in the format prescribed by the Owner and Director, and three (3) sets of said documents for review by the Director. In addition, the Architect shall submit Working Drawings and Specifications to the State or Local Health Department, Certified Building Authority and Fire Marshal having jurisdiction, for review and approval.

- 1.3.2 The Architect shall submit to the Director for approval, three (3) copies of the Life Cycle Cost Analysis as required by Section 123.01 of the Ohio Revised Code.
- 1.3.3 The Architect shall from time to time during the Construction Document Phase advise the Owner and Director on any adjustments to the estimated construction cost indicated by changes in requirements or general-market conditions. The Architect shall also provide detailed estimate of construction costs in the format prescribed by the Owner and Director. Any change in the estimated cost must have the approval of the Owner and Director.
- 1.3.4 Following review and approval by the Owner and Director, the Architect shall incorporate the corrections noted in the review sets of documents into Working Drawings and Specifications to be submitted for official filing purposes. The Working Drawings and Specifications required for official filing purposes shall bear the approval stamp of the State or Local Health Department and Certified Building Authority having jurisdiction before submission to the Owner and Director for final acceptance. The Architect shall submit two (2) sets of Working Drawings and two (2) sets of Specifications. All the preceding documents shall be furnished at the Architect's expense.
- 1.3.5 The Architect shall furnish as many additional copies of the final approved sets of Working Drawings and Specifications and Proposal Forms as may be required for prospective bidders. All additional printing of documents required for bidding purposes shall be at the Owner's expense.
- 1.3.6 The Architect shall file the required documents for the approval of any other government authorities having jurisdiction over the Project.
- 1.3.7 Signing the Title Sheet of the Drawings by various State officials does not indicate or imply approval for technical sufficiency.
- 1.4 Bidding or Negotiation Phase
  - 1.4.1 The Architect, following the Owner's and Director's approval of the construction documents and a detailed estimate of construction costs, shall distribute documents to prospective bidders and shall assist in obtaining bids or negotiated proposals by rendering interpretations and clarifications of the Drawings and Specifications in appropriate written form, conducting pre-bid conferences when requested by the Owner and Director, and shall assist the Owner in obtaining bids or negotiated proposals and in awarding construction contracts. The Architect shall, if necessary, conduct pre-award conferences with successful bidders.

- 1.5 Construction Phase (Administration of Construction Contract)
- 1.5.1 The Construction Phase will commence with the award of the Construction Contracts and will terminate when final payment is made by the Owner to the Construction Contractor or Contractors.
- 1.5.2 The Architect, as the representative of the Owner during the Construction Phase, shall advise and consult with the Owner and Director. All of the instructions to the Contractor(s) shall be issued through the Architect. The Architect shall have authority to act on behalf of the Owner to the extent provided in the General Conditions unless otherwise modified in writing.
- 1.5.3 The Architect shall at all times have access to the work wherever it is in preparation or progress.
- 1.5.4 The Architect shall be responsible for scheduling and directing the Pre-Construction and monthly job meetings. The Architect shall take minutes of all meetings and distribute same to the Owner, Director, Contractor (s) and all persons attending the meeting.
- 1.5.5 The Architect shall provide administration of the Construction Contracts as described below:
- One representative available to the job site during normal working hours for the General Trades, such representative to be mutually agreed among the Owner, Director, and Architect.
- A representative of the Consulting Engineer shall be responsible for the periodic observation of the Structural, Mechanical, Plumbing and Electrical Trades as required for interpretation and compliance with Contract Documents.
- 1.5.6 The Architect shall visit the site at intervals appropriate to the construction specifically including, but not limited to, on-site observation of large excavations, footing, and any time major areas of plain or reinforced concrete are being installed, masonry work, roofing work and Interior finishes. The site visits are for the Architect to become generally familiar with the progress and quality of the work and to determine in general if it is proceeding in accordance with working drawings and specifications. On the basis of the on-site observations, the Architect shall keep the Owner and Director informed of the progress of the work, and shall endeavor to guard the Owner against defects and deficiencies in the work of the Contractor(s). The Architect shall provide on-site observations to check the quality and quantity of the work.
- 1.5.7 Observation does not make the Architect responsible for the Contractor(s) in the building process, but does make the Architect responsible for examining the work as it progresses and for notifying the Owner and Director and the contractor(s) whenever he finds same not in conformance to the Contract Documents. The

Architect shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the work, and he shall not be responsible for the Contractor's failure to carry out the work in accordance with the Contract Documents.

- 1.5.8 During the Construction Phase, the Architect shall submit a semi-monthly progress report, in writing, to the Owner and Director which shall include a list of contractors and Sub-Contractors who worked the previous two (2) weeks.
- 1.5.9 Based on the Architect's on-site observation and on the Contractor's Request for Payment, the Architect shall determine the amount owing to the Contractor and shall approve Contractor's request for Payment in such amounts, all in accordance with the Contract Documents. The approval of the contractor's request for payment shall constitute a representation by the Architect to the Owner and Director based on the Architect's observations as provided in Sub Paragraph 1.5.6 and on the data comprising the Request for Payment, that the work has progressed to the point indicated, that to the best of the Architect's knowledge, information and belief, the quality of the work is in accordance with contract documents, and that the Contractor is entitled to payment in the amount certified. By approving the Contractor's request for payment, the Architect shall not be deemed to represent that he has made any examination to ascertain how and for what purpose the Contractor has used the monies paid on account of the Contract Sum.
- 1.5.10 The Architect, with advice of the Owner and Director, shall be the interpreter of the requirements of the Contract Documents and the impartial judge of the performance thereunder by the Contractors. The Architect shall make decisions on all claims of the Contractors relating to the execution and progress of the work and on all other matters or questions related thereto, with consultation of the Owner and Director prior to final decision.
- 1.5.11 The Architect shall have authority to reject work which does not conform to the Contract Documents. The Architect shall also have authority to require the Contractor to stop work after consultation with the Owner and Director whenever in his reasonable opinion it may be necessary for the proper performance of the Contract. The Architect shall not be liable to the Owner for the consequences of any decision made by him in good faith either to exercise or not to exercise his authority to stop the work.
- 1.5.12 The Architect shall review and approve shop drawings, samples and other submissions of the Contractors only for conformance with the design concept of the Project and for compliance with the information given in the Contract Documents.
- 1.5.13 The Architect after consultation with the Owner and Director shall initiate and process change orders for approval by the Owner and Director. All such change orders shall be in writing.

- 1.5.14 The Architect shall conduct Project Close-out Inspections and develop punch lists to determine the dates of substantial completion and final completion, shall receive and review written guarantees and related documents assembled by the Contractor, delivering same to the Owner and Director, and shall approve final payment.
- 1.5-15 The Architect shall prepare a corrected set of the working drawings showing significant changes in the work made during the construction process based on marked-up prints, drawings and other data furnished by the Contractor to the Architect.
- 1.5.16 The Architect shall not be responsible for the acts or omissions of the Contractor and/or Sub-Contractors' or material suppliers, or any of the Contractors or Sub-Contractors' or material suppliers' agents or employees, or any other persons performing any of the work.
- 1.6 Project Administration of Construction Beyond Basic Services
  - 1.6.1 If more extensive observation at the site is required than is described in Paragraph 1.5 and if the Owner, Director and Architect agree, the Architect shall provide additional Project observation as agreed upon in writing.
  - 1.6.2 The duties, responsibilities and limitations of authority of such additional Project Observation and the additional compensation thereof shall be mutually agreed between the Architect and Owner.
  - 1.6.3 Through any agreed additional on-site observation by the Architect of the work in progress, the Architect shall, endeavor to provide further protection for the Owner and Director against defects in the work, but the furnishing of such Project representation shall not modify the rights or responsibilities of the Architect as described in Paragraph 1.5.
- 1.7 Additional Services
  - 1.7.1 The following services are not included in the Basic Services, unless so identified in Article 14. Payment for additional services is in addition to compensation for Basic Services, and will be paid for only when authorized by the Owner in writing. The authorization must be in effect prior to the Architect providing these additional services.
  - 1.7.2 Providing special analysis of the needs of the Owner for the Project.
  - 1.7.3 Providing financial feasibility or other special studies.
  - 1.7.4 Providing planning surveys, site evaluations, or comparative studies of prospective sites.

- 1.7.5 Providing detailed quantity surveys or inventories of material, equipment and labor.
- 1.7.6 Providing design services relative to future facilities, systems and equipment which are not intended to be constructed as part of the Project.
- 1.7.7 Providing interior decorating and other services required for or in connection with the selection of moveable furniture and furnishings.
- 1.7.8 Engaging, with the Owner's approval, special consultants for services not listed in Article 1. Compensation for such services shall be in accordance with Article 14.
- 1.7.9 Making measured drawings of existing construction when required for planning additions or alterations thereto.
- 1.7.10 Preparing Drawings and Specifications for alternate bids requested by the Owner or his Authorized Representative, covering work which was not included in the Project requirements or scope of work.
- 1.7.11 Making revisions in Drawings, Specifications, or other documents when such revisions are inconsistent: (1) with written approvals or instructions previously given, except as required for bidding if the bids exceed the estimate by more than ten percent (10%), or as required under Article 3, item 3.4; (2) the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents; or (3) any other causes not solely within the control of the Architect before making any revisions, the Architect must have written approval from the Owner and Director.
- 1.7.12 Preparing drawings, specifications and supporting data and providing other services in connection with preparation of change orders that have been approved by the Owner and Director, providing such change orders are required by causes not within the control of the Architect and are not caused by errors or omissions of the Architect.
- 1.7.13 Providing consultation concerning replacement of any work damaged by fire or other cause during construction and furnishing professional services of the type set forth in this Article as may be required in connection with the replacement of such work.
- 1.7.14 Providing professional services requested by the Owner and made necessary by the default of the contractor in the performance of the construction contract or by major defects or deficiencies in the work of the Contractor.
- 1.7.15 Providing services as an expert witness in respect to the Project in connection with any public hearing, arbitration proceeding, or in any proceeding in any court of record to which the Architect is not a party.

- 1.7.16 Providing contract administration of construction after the construction time has exceeded 120% of the contract construction time as adjusted for change orders, through no fault of the architect. If the Architect provides construction administration beyond 120% of the adjusted construction time period without written approval from the Owner and Director, the Architect will not be paid.
- 1.7.17 Providing services for the Project after final payment to the Contractor(s).
- 1.7.18 Providing any other services not otherwise included in the agreement or not customarily furnished in accordance with generally accepted architectural practice.

Article 2  
The Owner's and Director's Responsibilities

- 2.1 The Owner and Director shall provide full information regarding the requirements for the Project.
- 2.2 The Owner and Director shall furnish information required of them as expeditiously as necessary for the orderly progress of the work.
- 2.3 The Owner and Director shall examine documents submitted by the Architect and shall render decisions thereto promptly to avoid unreasonable delay in the process of the Architect's work.
- 2.4 When deemed necessary by the Architect and Director, the Owner shall furnish a certified land survey and legal description of the site, giving as applicable, grades and lines of streets, alleys, pavements and adjoining property, rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site location, dimensions and complete data pertaining to existing buildings, other improvements, and trees, and full information concerning available service and utility lines both public and private, above and below grade, including inverts and depths.
- 2.5 The Owner shall furnish or direct the Architect to obtain at the Owner's expense, the services of a soils engineer, when such services are deemed necessary by the Architect, including reports, test borings, test pits, soil bearing values and other necessary operations for determining sub-soil conditions.
- 2.6 The Owner shall furnish such legal, accounting and insurance counseling services as may be necessary for the Project and such auditing services as he may require to ascertain how or for what purpose the Contractor has used the monies paid to him under the Construction Contract.
- 2.7 The services, information, surveys and reports required by Paragraphs 2.4 through 2.6 inclusive, shall be furnished at the Owners' expense and the Architect shall be entitled to rely upon the accuracy and completeness thereof.

- 2.8 If the Owner or Director observe or otherwise become aware of any fault or defect in the Project or non-conformance with the Contract Documents, either shall give prompt written notice thereof to the Architect.
- 2.9 The Architect shall advise the Owner and Director on any and all questions arising with respect to the meaning and intent of the Drawings, Specifications and terms of the Construction Contract. The final determination of the above shall rest with the Owner.

Article 3  
Construction Cost

- 3.1 Construction cost does not include the fees of the Architect and Consultants, the cost of the land, rights-of-way, or other costs which are the responsibility of the Owner as provided in Paragraphs 2.4 through 2.6 inclusive.
- 3.2 Labor furnished by the Owner for the Project shall be included in the Construction cost at current market rates. Materials and fixed equipment specified by the Architect, but furnished by the Owner, shall be included at current market prices, except that used materials and equipment shall be included as if purchased new for the Project.
- 3.3 Statements of probable construction cost and detailed cost estimates prepared by the Architect represent his best judgment as a design professional familiar with the construction industry. It is recognized, however, that neither the Architect nor the Owner has any control over the cost of labor, materials, or fixed equipment, over the contractor's methods of determining bid prices, or over competitive bidding or market conditions. Accordingly, the Architect cannot and does not guarantee that bids will not vary from any statement of probable construction cost or detailed cost estimate prepared by him.
- 3.4 If the lowest bona fide bid exceeds the fixed limit of construction cost established as a condition of this Agreement, the owner and Director shall (1) give written approval of an increased fixed limit of construction cost, (2) authorize re-bidding the Project within a reasonable time, or (3) cooperate in revising the scope and quality of the Project as required to bring the lowest bona fide bid within the Fixed Limit of this Agreement. In the case of (3), the Architect without additional charge shall modify the Drawings and Specifications as necessary to bring the lowest bona fide bid within the Fixed Limit. The providing of such service shall be the limit of the Architect's responsibility arising from the establishment of such Fixed Limit, and having done so, the Architect shall be entitled to compensation for all services performed in accordance with this agreement, whether or not the Construction Phase has commenced.

Article 4  
Direct Personnel Expense

- 4.1 Direct personnel expense is defined as direct hourly rates of all the Architect's personnel engaged on the Project and the portion of the cost of their mandatory customary contribution and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, pensions, and similar.

Article 5  
Allowable Reimbursable Expenses

- 5.1 Allowable reimbursable expenses are in addition to the fees for basic and additional services, and include actual expenditures made by the Architect, his employees, or his Consultants in the interest of the Project for the incidental expenses listed in the following subparagraphs:
- 5.1.1 If authorized in advance by the Owner, the expense of overtime work requiring higher than regular rates, preparing models for the Owner's use, and fees of Special Consultants for other than the normal structural, mechanical and electrical engineering services.
- 5.1.2 Fees paid for securing approval of authorities having jurisdiction over the Project.
- 5.1.3 Expense of reproductions, postage and handling of Drawings and Specifications for the purpose of bidding, excluding duplicate sets at the completion of each Phase for the Owner's and Director's review and approval and excluding reproduction for the office use of the Architect and Architect's consultants.
- 5.1.4 The following costs are a part of the Architect's fixed fee and are not reimbursable expenses: Travel, telephone, lodging, taxes, postage and handling of drawings and specifications, reproduction, and other documents not authorized under Subparagraphs 5.1.1, 5.1.2, and 5.1.3 above.

Article 6  
Payment to the Architect

- 6.1 Payment on account of the Architect's Basic Services shall be made as follows:
- 6.1.1 The Owner agrees to pay the Architect full compensation for his basic and additional services and all allowable reimbursable expenses incurred by him in performing said services as outlined in Article 14.
- 6.1.2 The Architect's compensation will be paid by bank draft, warrant, or check issued in his favor and approved by the Owner.
- 6.1.3 Payments for work performed under Paragraphs 1.1, 1.2, and 1.3 shall become due following approval of each design phase by the Owner and Director.

- 6.1.4 Payments for additional services of the Architect as defined in Paragraph 1.7 and for reimbursable expenses as defined in Article 5, shall be made monthly upon presentation of services rendered.
- 6.1.5 No deductions shall be made from the Architect's compensation on account of penalty, liquidated damages, or other sums withheld from payments to Contractors.
- 6.1.6 If the Project is suspended for more than three months or abandoned in whole or in part, which is not the fault of the Architect, the Architect shall be paid his fees for services performed prior to receipt of written notice from the Owner of such suspension or abandonment, together with reimbursable expenses then due and all termination expenses resulting from such suspension or abandonment. Should the Project be reactivated; the balance of the Architect's fee may be renegotiated.

Article 7  
Architect's Accounting Records

- 7.1 Records of the Architect's Direct Personnel, consultant, and Reimbursable Expenses pertaining to the Project and records of accounts between the Owner and the Contractor shall be kept on generally recognized accounting principles and shall be available to the Owner and Director at mutually convenient times.

Article 8  
Termination of Agreement

- 8.1 This agreement may be terminated by either party upon seven (7) days written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. In the event of termination due to the fault of others than the Architect, the Architect shall be paid his fees for services performed to termination date, including reimbursable expenses then due and all termination expenses.

Article 9  
Ownership of Documents

- 9.1 Any authorized representatives of the Owner and Director shall, at all reasonable times, have the right to inspect and examine the Drawings and Specifications for the Project, or copies thereof, when the same are in the possession of, or at the office of, the Architect for working use.
- 9.2 Immediately upon completion of the Project, all original Drawings and Specifications, shall be delivered to the Owner and shall become the property of the Owner. Prior to delivery, these Drawings and Specifications shall be corrected to show changes made in the Project during the Construction thereof. Drawings shall be Drawings of Record after corrections are made. It is agreed the documents will not be used by the Owner on other projects except by agreement

in writing and with appropriate compensation pursuant to such agreement to the Architect.

Article 10  
Successors and Assigns

- 10.1 The Owner and the Architect: each binds himself, his partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this Agreement. Neither the owner nor the Architect shall assign, sublet or transfer his interest in this Agreement without the written consent of the other and the written approval of the Director.

Article 11  
Extent of Agreement

- 11.1 This agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by the Owner, the Architect and the Director.

Article 12  
Applicable Law

- 12.1 This Agreement shall be governed by the law of the State of Ohio.

Article 13  
Publicity

- 13.1 Any publicity with respect to the Project shall be under the control of the Owner and Director provided, however, that if and to the extent that publicity shall refer exclusively or primarily to the architecture of the Project or to the person of the Architect, then such publicity shall be under the joint control of the Owner and the Architect.

Article 14  
Basis of Compensation

- 14.1 The Owner shall compensate the Architect for the scope of services provided in accordance with Article 6, "Payment to the Architect" and other terms and conditions of this Agreement, as follows:

- 14.2 Basic Compensation:

- 14.2.1 The Architect shall be compensated for Basic Services at a Fixed Fee of (\$ ) which is ( % of the Estimated Construction cost (\$ )).

14.2.2 Payments for the Basic Compensation shall not exceed the following percentages for each Phase:

Architectural Program Phase	10%	\$-----
Schematic Design Phase	20%	\$-----
Construction Document Phase	30%	\$-----
Bidding Phase	10%	\$-----
Construction Phase	30%	\$-----

14.2.3 After award of contracts to contractors, and as the work progresses, the Architect will be paid a sum sufficient to increase the payment to one hundred percent (100%) of the fixed fee, based on percentage of payment made to Contractors.

14.2.4 The Architect’s final payment on construction phase will not be withheld if Contractors are lax in closing out their contracts or if there are liens filed against a Contractor.

14.3 For the Architect’s additional services as described in Paragraph 1.7 and approved in writing by the Owner, a fee will be computed as follows:

14.3.1 Employees’ time shall be computed at a multiple of two and one-half times Employees’ direct personnel expense as defined in Article 4.

14.3.2 Principal’s expense shall be based on a fixed hourly rate.

14.3.3 For additional services of consultants’ requested by the Owner, including other Special consultants, additional Structural, Mechanical, Plumbing, Electrical and Landscape Architectural services at a multiple of 1.2 times the amount billed to the Architect for such additional services.

14.3.4 For alternate work authorized by the Owner, a percentage fee of (            %) based on the following:

For alternates for which bids are not received, the Architect is entitled to 70% of his fee based on the latest detailed cost estimate.

For alternates on which bids are received but not accepted the Architect is entitled to 70% of his fee based on either the lowest bonafide bid received from a qualified bidder or the latest detailed cost estimate, whichever is lower.

14.3.5 For change order work authorized by the Owner, a percentage fee as follows:

(            %) of the additional construction cost of the change order unless the fee for the change order proves to be insufficient, in which case it may be based upon the hourly rate. This additional compensation will not apply to change orders caused by errors and omissions of the Architect.

14.3.6 Additional service expenses shall not exceed the following allowance:

(		)	(\$		)
	Service			Amount	

14.4 If the scope of the Project or if the Architect's services are changed materially, the amount of the compensation shall be equitably adjusted by mutual agreement between the Architect, Owner and Director.

In witness whereof, the parties hereto have hereunto set their hands on this date: ( )

Architect: \_\_\_\_\_

By: -

Owner: -

By: -

By: -

By: -

Name and Title

**Substantial Completion Certificate**

Contract: \_

Project No. & Title: \_

Contractor: \_

Date of Contract: \_

Date of Substantial Completion: \_

Equipment/Area Completed: 1. \_  
2. \_  
3. \_

We, the undersigned, together with a representative of the Contractor employed for the execution of the work, have inspected and recommended that the work performed under this contract is found to be substantially complete for Substantial Completion. The date of issuance commences the warranties and guarantees required by the Contract Documents for the designated areas and/or equipment.

A list of items to be completed or corrected, prepared by the Associate Architect/Engineer is appended hereto. The failure to include any items on such list does not alter the responsibility of the Contractor to complete all work in accordance with the Contract Documents.

The responsibility of the Owner and the Contractor for maintenance, heat, utilities and insurance should be determined as per specifications.

When all items are completed or corrected, a Contract Completion Certificate will be administered.

Contractor: \_

By:

Date: \_

Associate Architect/Engineer: \_

By:

Date: \_

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Based on the information submitted above, this substantial completion is accepted.

Owner: \_

Date: \_

**Contract Completion Certificate**

Contract: \_

Project No. and Title: \_

Location: \_

Applicant: \_

Contractor: \_

Date of Contract: \_

The date of acceptance of this certificate by the Owner commences the warranties and guarantees required by the contract documents.

We, the undersigned, together with a representative of the Contractor employed for the execution of the work, have inspected the work included in the captioned contract prior to the date of this certificate, and hereby certify that all work on the contract has been completed in accordance with the requirements of the drawings, specifications and other contract documents, and accordingly recommend that the work included on said contract be accepted.

Associate Architect/Engineer: \_

By:

Date: \_

Prime Contractor: \_

By:

Date: \_

The aforementioned contract is hereby accepted.

Owner: \_

Date: \_



